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INTERNATIONAL AFFAIRS

12 November APEC Proceedings

Thai Officials on Meetings With Kantor, Brown *[THE SUNDAY POST 13 Nov]* 1
Suphachai Calls on APEC To Broaden GATT *[THE SUNDAY NATION 13 Nov]* 1
Japan's Hashimoto Meets With PRC's Wu Yi *[KYODO]* 2
Hong Kong Minister on PRC WTO Membership *[THE SUNDAY POST 13 Nov]* 2
Malaysia Offers To Host 1998 APEC Meetings *[THE SUNDAY POST 13 Nov]* 3
Mexican Commerce Secretary Backs Trade Zone *[Mexico City UNOMASUNO 13 Nov]* 4

13 November APEC Proceedings

Kono, Qian Qichen Discuss Taipei, Nuclear Issues *[KYODO]* 4
Suharto Holds Talks With Four APEC Leaders *[Jakarta Radio]* 5
Murayama, Suharto Discuss APEC, East Timor *[KYODO]* 6
Japan's Hashimoto Comments on APEC, U.S. Ties *[Tokyo TV]* 7
Singapore's Goh Interviewed on APEC, EAEC *[SUARA PEMBARUAN 14 Nov]* 8
Canadian Minister Addresses Businessmen *[Jakarta Radio]* 9
Chilean Economic Minister Interviewed on Goals *[ANTARA]* 9
Chilean Economic Minister Addresses Symposium *[ANTARA]* 10
Mexico, Australia Sign Trade, Investment Pact *[Mexico City EL FINANCIERO 14 Nov]* 10

14 November APEC Proceedings

Malaysian Foreign Minister Arrives for Meeting *[Kuala Lumpur International]* 10
Mexican President Arrives for APEC Summit *[Jakarta Radio]* 11
Philippines' Ramos Arrives for Leaders' Meeting *[Quezon City TV]* 11
U.S., Japan, ROK Hold Trilateral Meeting *[KYODO]* 11
    Text of Joint Press Statement *[KYODO]* 12
Murayama, Jiang Discuss Taiwan, Nuclear Tests *[KYODO]* 12
Murayama, Kim Vow To Help DPRK on Nuclear Pact *[KYODO]* 13
ROK President's Meetings in Jakarta Summarized *[YONHAP]* 14
ROK President Interviewed on Free Trade Target *[Jakarta TV]* 15
Suharto, Nine Leaders Say APEC Not Trade Bloc *[ANTARA]* 15
Malaysia's Mahathir Meets With Suharto *[Jakarta Radio]* 16
Suharto Meets PNG's Chan, Thailand's Chuan *[Jakarta TV]* 16
    Bangkok TV on Suharto-Chuan Meeting 16
Thai, Indonesian Foreign Ministers Discuss Trade *[Radio VOFA]* 17
Thai Premier Meets PRC's Jiang Zemin in Jakarta *[Bangkok Radio]* 17
Suharto, Canadian Prime Minister Discuss Timor *[Jakarta Radio]* 17
Malaysia's Mahathir Meets Australia's Keating *[Kuala Lumpur International]* 17
Australia's Keating Meets Jiang Zemin 14 Nov *[AFP]* 18
Chilean President's Activities Summarized *[Santiago TV]* 18
Hong Kong Financial Secretary on Liberalization *[Hong Kong SOUTH CHINA MORNING POST 15 Nov]* 19
Suharto Addresses APEC Leaders at Banquet *[Jakarta Radio]* 19
Deadline of 2020 Spelled Out in APEC Draft *[KYODO]* 20
    Events Leading to 2020 Deadline *[THE NATION 15 Nov]* 21

NORTHEAST ASIA

Japan

Clinton's 'Soft' Approach Toward Tokyo Noted *[YOMIURI SHIMBUN 15 Nov]* 23
U.S. 'Sending Mixed Signals' on Auto Talks *[KYODO]* 23
Tokyo, Washington Begin Deregulation Talks *[KYODO]* 24
  Official on U.S. Proposals *[MAINICHI SHIMBUN 15 Nov]* 24
Miyashita To Hold Talks With U.S. Counterpart *[KYODO]* 24
Itochu Named To Become ERINT Missiles Agent *[NIHON KEIZAI SHIMBUN 11 Nov]* 24
Government Pushing Establishment of WTO *[YOMIURI SHIMBUN 13 Nov]* 25
MITI To Control Exports With Military Potential *[MAINICHI SHIMBUN 7 Nov]* 26
  Curbing Strategic Exports *[KYODO]* 26
  Strategic Exports System Planned *[ASAHI SHIMBUN 11 Nov]* 27
  Arms Export Controls Analyzed *[NIHON KEIZAI SHIMBUN 13 Nov]* 27
JDA To Expand Security Ties with PRC, Others *[ASAHI SHIMBUN 9 Nov]* 28
Isuzu To Produce Diesel Engines in PRC *[NIHON KEIZAI SHIMBUN 12 Nov]* 29
New PRC Trade Rules Discouraging Investment *[NIHON KEIZAI SHIMBUN 11 Nov]* 29
Tokyo To Enhance Economic Ties With East Europe *[NIHON KEIZAI SHIMBUN 12 Nov]* 30
Yamaichi, Uzbekistan Arrange Insurance Venture *[KYODO]* 30
MOF Aims To Curb ODA Growth in Fiscal 1995 *[NIHON KEIZAI SHIMBUN 10 Nov]* 31
Tokyo To Provide Aid, Loans to Various Nations 31
  Syria: 703 Million Yen *[KYODO]* 31
  Haiti: $1.09 Million *[KYODO]* 31
  Egypt: 40 Million Yen *[KYODO]* 31
  Pakistan: 34.8 Billion Yen *[KYODO]* 31
  Namibia: 300 Million Yen *[KYODO]* 31
  Ivory Coast: 1.88 Billion Yen *[KYODO]* 32
Minister Okawara Interviewed on Rice Policy *[Tokyo TV]* 32
MITI Aims at Technological Competitiveness 32
  'Drastic' Policy Reviews *[MAINICHI SHIMBUN 9 Nov]* 32
  Plans Information Network *[MAINICHI SHIMBUN 11 Nov]* 33
  Program Formally Announced *[MAINICHI SHIMBUN 15 Nov]* 33
Matsushita Develops Internet Access System *[KYODO]* 33
Fujitsu, Sharp Reach Accord on Information System *[KYODO]* 34
Carriers Criticize NTT Over Market Monopoly *[KYODO]* 34
Kiku-6 Satellite's Latest Malfunctions Noted *[NIHON KEIZAI SHIMBUN 12 Nov]* 35
Coalition Abandons Plans To Visit DPRK in Nov *[KYODO]* 35
Article Views SDPJ Struggle for Leadership *[EKONOMISUTO 8 Nov]* 35
Article Reveals Ozawa's 'Off-the-Record Comments' *[SHUKAN ASAHI 30 Sep]* 37
Industries Oppose Pension Management Opening *[MAINICHI SHIMBUN 2 Nov]* 39
Nippon Trust Rescue Presages Changes in Banks *[NIKKEI BUSINESS 24 Oct]* 40

North Korea

'Experts' Fuel Negotiations Continue in Yongbyon *[KCNA]* 41
  'Productive' Views Exchanged *[KCNA]* 41
North-U.S. Agreed Framework Supported Abroad *[KCNA]* 41
  Overseas Public Praise Reported *[KCNA]* 42
  Accord Lauded in Guyana, Austria *[KCNA]* 42
  More Foreign Statements Released *[KCNA]* 43
National Association of Koreans in America Formed *[KCNA]* 43
ROK's Plans To Import 190 SAM's Criticized *[KCNA]* 43
Cooperation Urged in Repatriation of Prisoners *[KCNA]* 43
  Letter to International Red Cross *[KCNA]* 44
  Yi In-mo Sends Letter to Prisoner *[KCNA]* 44
  Newspaper on Long-Term Prisoners *[KCNA]* 45
Alliance of Trade Unions Inaugurated in South *[KCNA]* 45
Statement Supports ROK Dissident Organizations *[KCNA]* 45
Lawyers Association Urges ROK To Abolish NSL *[KCNA]* 46
CPRF 'Information' Condemns Kim Yong-sam Group *[KCNA]* 46

Statement Supports ROK Dissident Organizations *[KCNA]* 47
'Reverence' for Kim Chong-il Growing in ROK *[KCNA]* 47
Japan, ROK Criticized for 'Military Collusion' *[KCNA]* 47
U.S.-Japan Joint Military Exercise Denounced *[Pyongyang Radio]* 48
Russian Party, Pomminnyon Officials Arrive *[KCNA]* 48
WPK Delegation's Visit, Talks in Cuba Reported *[Pyongyang Radio]* 48
Book on Korean Education Published in Pakistan *[KCNA]* 48
Worker's Party Delegation Arrives in Uruguay *[Pyongyang Radio]* 49
Article Dedicated to Relations With Mauritania *[KCNA]* 49
Greetings Sent to Slovak National Council Head *[KCNA]* 49
WPK, Trade Union Groups Leave for Congresses *[KCNA]* 49
PRC, Bangladesh Delegations Arrive on 12 Nov *[KCNA]* 49
New Bangladesh Ambassador Meets Foreign Minister *[KCNA]* 49
    Meets With Vice President Pak *[KCNA]* 49
Cilreco Bulletin Urges Solidarity With Koreans *[KCNA]* 49
Meetings Held Abroad on Reunification Proposal *[KCNA]* 50
Signature Campaign for Reunification Held Abroad *[KCNA]* 50
    Ten-Point Program Supported *[KCNA]* 51
    Confederation Proposal Favored *[KCNA]* 51
Sreet Named After Kim Il-song in Cambodia *[KCNA]* 52
Kim Chong-il's 'Socialism Is a Science' Praised *[KCNA]* 52
    Indian Groups Comment on Work *[KCNA]* 52
    Russian Scholar Lauds Treatise *[KCNA]* 53
    Foreign Media Report on Work *[KCNA]* 53
Kim Chong-il's Efforts on Robotics Hailed *[Pyongyang Radio]* 53
Soldiers Turn Out To Fulfill Kim Chong-il Order *[KCNA]* 55
Kim Chong-il Defines Term 'Popular Masses' *[KCNA]* 55
Kim Chong-il Sends Greetings to Centenarians *[KCNA]* 55
Kim Chong-il's 'Benevolent Politics' Stressed *[KCNA]* 56
'Reverence' Shown for Kim Il-song at Statues *[KCNA]* 56
Management of Metallurgic Facilities Stressed *[MINJU CHOSON 27 Sep]* 57

South Korea

Han, Japanese Foreign Minister Discuss Reactors *[YONHAP]* 59
U.S. Representative Remarks on Nuclear Issue *[YONHAP]* 59
O Chin-u Said To Undergo Radiological Treatment *[YONHAP]* 60
Seoul To Allow KPIDA To Set Up Office *[YONHAP]* 60
Reasons for North's Rejection of Proposal Viewed *[CHUNGANG ILBO 11 Nov]* 60
N-S Communications Agreement Said Priority *[TONG-A ILBO 11 Nov]* 61
Deputy Premier Speaks on N-S Cooperation Issue *[YONHAP]* 61
North Reportedly Increases Najin-Sonbong Expenses *[CHUNGANG ILBO 13 Nov]* 62
Prospects of N-S Economic Cooperation Analyzed *[CHUNGANG ILBO 10 Nov]* 62
N-S Commodity Exchanges Rise 3.8 Percent in Oct *[YONHAP]* 63
Government on Control of Business Visits to North *[HANGUK ILBO 11 Nov]* 63
Businessmen, DPRK Official Discuss Investment *[YONHAP]* 63
Subsidiaries' Purchasing North Certificates Viewed *[THE KOREA TIMES 15 Nov]* 64
Exchange Bank Pursues Transactions With North *[HANGUK ILBO 15 Nov]* 64
North Junk Bond Prices Up Since Nuclear Accord *[CHUNGANG ILBO 14 Nov]* 65
Woosung Group Plans To Build Hotel in DPRK *[YONHAP]* 65
Lucky-Goldstar Plans To Advance Into DPRK *[CHUNGANG ILBO 15 Nov]* 65
Status of DPRK's Light Industry Analyzed *[MUNHWA ILBO 11 Nov]* 66
PRC Reportedly Dissatisfied With DPRK Reform *[SEOUL SINMUN 15 Nov]* 67
Chochongnyon Money to DPRK Reportedly Down *[SEOUL SINMUN 15 Nov]* 67
DPRK Delegation Scheduled to Visit Japan *[YONHAP]* 67
Dailies View President Kim's Summits in Jakarta *[CHOSON ILBO 15 Nov, etc.]* 68
Kim Yong-sam's Information Network Plan Analyzed *[YONHAP]* 69
Visits by PRC High-Ranking Officials Increase *[YONHAP]* 69
Australia Agrees To Lower Tariffs on Autos *[THE KOREA TIMES 15 Nov]* 70
KEB Plans Full Banking Services in Philippines *[THE KOREA HERALD 15 Nov]* 70
Seoul Agrees To Import LNG From Indonesia *[YONHAP]* 70

Kim Tae-chung, Pak Chol-un Meet 'Privately' *[YONHAP]* 71
Influence of Former Opposition Leader Viewed *[THE KOREA HERALD 11 Nov]* 71
Government, DLP: Assembly To Meet Unilaterally *[YONHAP]* 72
  Assembly Speaker Objects to Plan *[YONHAP]* 72
Central Bank Warns About Securities Investments *[THE KOREA TIMES 11 Nov]* 73
Interministry Struggle Delays Futures Market *[THE KOREA TIMES 15 Nov]* 73

SOUTHEAST ASIA

Burma

UN Human Rights Representative Continues Visit 75
  Meets With Khin Nyunt *[Rangoon Radio]* 75
  Visits Insein Central Jail *[Rangoon Radio]* 75
PRC Communications Minister Leads Goodwill Visit 75
  Delegation Arrives in Rangoon *[Rangoon Radio]* 75
  Khin Nyunt Receives Delegation *[Rangoon Radio]* 75
  Minister Meets With Railway Minister *[Rangoon Radio]* 75
  Minister Meets With Transport Minister *[Rangoon Radio]* 75
  Minister, Delegation Depart *[Rangoon Radio]* 75
Editorial Views Difficulties of Market Economy *[Rangoon Radio]* 76

Brunei, Malaysia & Singapore

Malaysia

Officials Welcome U.S. Economic Participation *[Kuala Lumpur International]* 76
Commentary Backs Rejection of U.S. Bid for Base *[Kuala Lumpur International]* 76
Minister Urges Japan To Make Decision on EAEC *[NEW STRAITS TIMES 9 Nov]* 77

Singapore

Daily Views 'Revolution' in U.S. Elections *[THE STRAITS TIMES 11 Nov]* 78

Cambodia

KR Warns Government on Fighting in Kampot *[Radio PGNUNS]* 78
DK Ready To Counter Government Battle Campaign *[Radio PGNUNS]* 79
Khmer Rouge Spokesman Condemns Press Law *[Radio PGNUNS]* 79
Ranariddh Criticizes Khmer Rouge, News Media *[Phnom Penh Radio]* 80
Leaders Attend National Day Celebrations Finale *[Phnom Penh Radio]* 81

Indonesia

Bilateral Trade Talks Held With U.S. in Jakarta *[ANTARA]* 82
Australia's Evans, Alatas Discuss East Timor *[Melbourne International]* 82
E. Timor Protesters Request Probe Into Arrests *[ANTARA]* 82
Officials Urge Youths To Leave Embassy Grounds *[Jakarta Radio]* 83
Protesters To Pass Petition to U.S. Ambassador *[Lisbon Radio]* 83
Military Information Chief on Dili Situation *[Jakarta Radio]* 84
Timorese Appeal to APEC on Indonesian Occupation *[Lisbon Radio]* 84
Editorial Criticizes U.S. Embassy Demonstrators *[MERDEKA 15 Nov]* 84
U.S. Foreign Policy Said Unaffected by Elections *[SUARA PEMBARUAN 11 Nov]* 85
Free Trade Pitfalls Seen in Globalized Era *[MERDEKA 14 Nov]* 85
Paper Views 'Strategic Significance' of AELM *[SUARA KARYA 12 Nov]* 86
Bilateral Investment Agreement With Chile *[Jakarta Radio]* 87
  Agreement Signed 14 Nov *[ANTARA]* 87
Further on ROK President's Official Visit 87
  Suharto Hosts Banquet *[Jakarta Radio]* 87
  'Text' of ROK President's Speech *[THE KOREA HERALD 13 Nov]* 88

Philippines

ROK's Kim Yong-sam Visits Manila 10-12 Nov 89
  Kim Arrives in Manila *[Seoul Radio]* 89
  Kim Speaks at Dinner *[THE KOREA HERALD 11 Nov]* 89
  Kim, Ramos Hold Talks *[YONHAP]* 89
  Presidents Discuss Cooperation *[YONHAP]* 90
  Kim Addresses Chamber of Commerce *[THE KOREA HERALD 12 Nov]* 91
  Kim, Ramos Agree on Economic Ties *[YONHAP]* 91
  Leaders Hold Press Conference *[Quezon City TV]* 92
  Kim Hosts Reception *[YONHAP]* 95
  Kim Departs for Indonesia *[Quezon City TV]* 96

Thailand

Chuan Comments on Economic Development *[BANGKOK POST 14 Nov]* 96
Editorial: APEC 'Damaging' to Asian Countries *[THAILAND TIMES 11 Nov]* 96
Editorial Urges Slower Move to APEC Free Trade *[KRUNGTHEP THURAKIT 14 Nov]* 97
Article Views Impact of Elections on Clinton *[BANGKOK POST 15 Nov]* 97
Article Criticizes Government's Regional Policy *[SIAM RAT 13 Nov]* 99
Cambodian Coup Fugitives Lodge Asylum Request *[BANGKOK POST 14 Nov]* 100
Processed Wood From Khmer Rouge Zone Seized *[BANGKOK POST 11 Nov]* 100

Vietnam

Prime Minister Receives Cuban Military Group *[VNA]* 100
Party Delegation Visits ROK, Meets Leaders *[VNA]* 101
Netherlands Waives $8.7 Million Debt *[VNA]* 101
Commentary Says $10 Billion in Aid Needed *[Hanoi International]* 101
Vo Van Kiet Chairs Meeting on Economic Tasks *[Hanoi Radio]* 102
Le Duc Anh Tours Ha Giang, Tuyen Quang Provinces *[Hanoi Radio]* 102
Religious Body Announces Appointment of Cardinal *[VNA]* 103
Sectors Targeted for Foreign Investment *[Hanoi Radio]* 103

AUSTRALASIA

Australia

Keating on Timetable for APEC Free Trade *[Melbourne International]* 104
Keating Holds Talks With Chilean President *[Melbourne International]* 104
Evans Rejects Thai Spy Claim Against KR Victim *[Melbourne International]* 104
  Evans Downplays 'Rift' With Thailand *[Melbourne International]* 104
Cambodian Minister Expresses Support for Evans *[Melbourne International]* 104
Foreign Minister Cited on Unrest in East Timor *[Melbourne International]* 105
Unemployment Rate at Lowest Level in Three Years *[Melbourne International]* 105

Solomon Islands

Prime Minister Mamaloni Appoints New Cabinet *[AFP]* 105

12 November APEC Proceedings

Thai Officials on Meetings With Kantor, Brown

BK1311140894 Bangkok THE SUNDAY POST in English 13 Nov 94 p 3

[Report by Somphon Thaphanachai and Wichit Sirithawiphon in Jakarta]

[FBIS Transcribed Text] The United States says Thailand will be removed from a list of countries under priority scrutiny for unfair trade practices following Wednesday's passage of the new copyright bill.

Deputy Prime Minister Suphachai Phanitchaphak said yesterday he was told of the decision when he met US Trade Representative Mickey Kantor at a side-meeting of the Asia Pacific Economic Cooperation (APEC) group's conference. According to Dr Suphachai, Mr Kantor said the decision would be made formal when the US ministers returned to Washington after the APEC meetings.

Thailand is on the so-called Priority Watch List, a second tier in the ranking of countries considered to be trading unfairly under Section 301 of US trade law. Removal from this list does not guarantee Thailand will escape listing at the third level, the regular "Watch List". The Thai parliament had already endorsed the amendment of the Copyright Law on Wednesday and this meant Thailand had complied with the condition set by the US.

In another development, the United States asked Thailand to reconsider a decision to disqualify an American company originally placed second in bidding to design the second airport in Bangkok at Nong Nguhao, according to Commerce Minister Uthai Phimchaichon.

Mr Uthai said after talks with US Commerce Secretary Ron Brown that the US wanted Thailand to consider the proposal. He told Mr Brown the issue would be considered by a committee chaired by Dr Suphachai.

The US also asked Thailand to allow transformation of 11 representative offices of the Universal Insurance Co into branches. But Mr Uthai said this issue could not be decided only by the Commerce Ministry and it needed more consideration from the International Economic Policy Committee.

Thailand wants the US to take into account the result of the Uruguay Round negotiations on anti-dumping and countervailing duties when investigating these cases as well as to speed up the investigation process, particularly on dumping of Thai canned pineapples.

He said if the American investigation was based on the Uruguay Round negotiations, five out of eight products now under dumping and subsidy investigation would be dropped from the list.

The Uruguay Round decided that if the dumping or countervailing margin was less than 2 per cent, and the market share of dumped products was less than 3 per cent, or 4 per cent for subsidised products, dumping and countervailing duty collection must be cancelled.

Thailand wants the US to allow it to take part in negotiations on US adjustments to tariffs on tobacco imports.

The US earlier limited imports of foreign tobacco to 25 per cent of total demand. Thailand, in cooperation with Brazil, brought the case to the GATT council.

If the US loses this case it will have to change its strategy to restrict imports by introducing tariff quotas.

Suphachai Calls on APEC To Broaden GATT

BK1311095794 Bangkok THE SUNDAY NATION in English 13 Nov 94 p A4

[Article by Deputy Prime Minister Suphachai Phanitchaphak: "Let The Uruguay Round Go Its Course"]

[FBIS Transcribed Text] There is no question that the Eminent Persons Group (EPG) report is a valuable source of reference, and it should be seen as one of the reports that the ministers can consider. Yet it is not the only direction that we must take.

We in the Association of Southeast Asian Nations (Asean) are of the view that the EPG has no more than achieved its goal. So it can now be disbanded with honour to give us the chance to assess its report. At this juncture, our priority is to let the Uruguay Round go its course. The Kennedy Round and the Tokyo Round were then not a global round because they lacked broad-based participation from the developing countries. We should put more effort into working for the successful implementation of the Uruguay Round.

There should be more clarification on comprehensive arrangement of free trade, as noted by the EPG. These are all technical issues. We should have a clear-cut definition drawing the line between free trade and free trade in the area.

We cannot move too quickly with the recommendations, otherwise we will end up with a lot of excluded items.

We can enhance our role by making an alternative proposal through the World Trade Organization for an "Apec Round". We can be instrumental in achieving worldwide trade liberalization.

On the small- and medium-scale enterprises, we have duly given them a prominent role in Apec. The Apec ministerial meeting on small- and medium-scale enterprises recently in Osaka was a successful starting point. Several suggestions were made, which need to be translated into action plans.

The EPG report provides very useful reading materials, but we seem to have been driven by the report's recommendations. Various official statements are threatened to be taken straight out of the EPG text. It is because we and our officials back the ability to conceive our own agenda. There are some noteworthy points in the second EPG report.

First, the agenda is being set up for us to go beyond the Uruguay Round, which is found by the EPG to be a partial success.

Second, the norms that we are asked to accept will lean towards those of the more advanced economies.

Third, dispute mediation service, a mechanism to resolve trade dispute, must help to deter "aggressive unilateralism" and not to divert attention away from the World Trade Organization dispute settlement process.

In this context, I would like to suggest the following points:

First, the EPG has achieved its goal and can be disbanded with honour. Officials of Apec should be given the task to look at the details, even at the timetable of the three-pronged trade liberalization (the year 2010, 2015 and 2020).

Second, Apec should make a stance and take concrete action to pre-empt violation of the Uruguay Round agreement, and to initiate broadening and deepening of the Uruguay Round through the World Trade Organization.

Finally, my suggestions to the EPG report is that we should give the chance to the senior officials and individual Apec members to consider their own timeframe to arrive at a free trade status. And more importantly Apec should again put up an attractive trade liberalization package to be presented to the WTO as we did at Seattle last year, which helped to bring the world to agree to the Uruguay Round.

In so doing, we may achieve another trade round to be called the Apec Round to achieve another one-third reduction in tariffs but in a period of shorter timeframe; instead of 10 years for the Uruguay Round. This time it should be within three years.

Japan's Hashimoto Meets With PRC's Wu Yi

OW1211155394 Tokyo KYODO in English 1518 GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 12 KYODO—Japan's trade minister urged China on Saturday [12 November] to further lower import tariffs to ensure China's speedy membership of the General Agreement on Tariffs and Trade (GATT), Japanese officials said.

International Trade and Industry Minister Ryutaro Hashimoto met his Chinese counterpart Wu Yi after a two-day Ministerial Meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Jakarta.

Concerning China's membership of GATT, Hashimoto told Wu that he does not believe China's current plans to open its markets are enough to support China's GATT membership, the officials said. Hashimoto reportedly added, however, "Our hopes rise when we see the conditions that China has shown us." In response, Wu said the Chinese Government has made its best efforts in its market-opening plans, seeking Japan's understanding.

Regarding Japan's planned fourth round of yen loans to China, Wu said there is a risk in accepting such loans because of the yen's recent rise. Wu's remark apparently hinted that Japan should give better conditions on the loans during the final stage of talks on its details, now under way.

Hong Kong Minister on PRC WTO Membership

BK1311091594 Bangkok THE SUNDAY POST in English 13 Nov 94 p 5

[FBIS Transcribed Text] The United States and European Union are working on a compromise formula that would allow China early membership of the new World Trade Organisation even if negotiations are not complete by the year-end deadline, according to a Hong Kong minister. With only a few weeks left before the end of the year, China's chances of negotiating re-entry into the General Agreement on Tariffs and Trade (GATT) in time for the creation of the WTO are fading.

An agreement setting up the WTO says countries that have joined GATT will automatically become founder-members of the WTO. China was a founder of GATT in 1947, but its membership lapsed following the Chinese revolution. Beijing attaches considerable importance to becoming a founder-member of the WTO.

According to Chau Tak Hay, Hong Kong's Trade and Industry Secretary, the compromise formula would allow China to be considered a founder member of the WTO as a founder of GATT even though actual membership negotiations are not completed until after the New Year. He said the Chinese and Americans could discuss this issue at a meeting scheduled in Jakarta today, where the two countries' ministers are attending Asia Pacific Economic Cooperation (APEC) meetings.

In its statements in the APEC meeting, China has been using acceptance of an APEC free trade plan as a bargaining chip in its attempt to be readmitted into GATT.

Chinese Foreign Minister Qian Qichen pressed the case of China's return to the General Agreement on Tariffs and Trade in his statement to the APEC ministerial meeting on Friday. He said China's economic and trade regime is now "basically in line with" GATT's requirements. But many other countries still hold that China is not yet at the stage of GATT compatibility, with US Secretary of State Warren Christopher nevertheless expressing hope that "progress" can be achieved.

"The US supports China's bid to enter the World Trade Organisation with an appropriate package of protocol," he told reporters after talks with the Chinese foreign minister here yesterday.

The Chinese foreign minister made clear his country's position that it supported Indonesian President Suharto's proposal that the timetable for trade and investment liberalisation in the Asia-Pacific be drawn up in the light of diverse conditions of APEC members.

"China's re-entry to GATT will benefit not only China but also the world. It will also help the start of liberalisation of regional trade," the Chinese foreign minister said.

Spelling out China's thinking on this regional organisation, Mr Qian said the basis for APEC cooperation must be fair play of members' advantages, and for developed countries to "renounce unilateralism that contravenes market principles." But at the same time, he defended that some measures of government intervention by developing members of APEC are necessary in the process of market cultivation. The pressing task for APEC, as China sees it, is to try to narrow the gap between the developed and developing members.

China also fully endorsed the Indonesian proposal that APEC's priority cooperation areas should be infrastructure building, human resource development and the development of small and medium enterprises.

"In our view, APEC should identify its long-term objectives and proceed in an orderly manner. It should debate matters of principle but should also do down-to-earth work," he said.

Malaysia Offers To Host 1998 APEC Meetings

BK1311090894 Bangkok THE SUNDAY POST in English 13 Nov 94 pp 1, 3

[Report by Suphaphon Kanwerayothin, Wichit Sirithawiphon, and Peter Maitri Ungphakon in Jakarta]

[FBIS Transcribed Text] Malaysia, the most reluctant member of the Asia Pacific Economic Cooperation (Apec) group, has agreed to host the group's meetings in 1998, but the country's trade minister still insisted yesterday that any Apec deals must be non-binding.

The decision, announced on the final day of the Apec ministers' annual meeting yesterday, was greeted with applause as delegates shifted into a slower gear before their heads of government arrive for the informal summit on Tuesday.

Uncertainty remained over the question of whether the Apec leaders will agree to set a target date for trade liberalisation in the group.

The current draft is said to refer to 2020. But Datuk Sri Rafidah Aziz, Malaysia's international trade and industry minister, said she doubted whether such a statement would be put on the table.

As for whether Malaysian Prime Minister Mahathir Mohamed would object to an Apec leaders' statement containing a target date for trade liberalisation, Datuk Sri Rafidah said:

"Don't put deadlines on anybody. Each country would know how far it can liberalise. Unless we see the Uruguay Round agreement implemented, it's futile to talk about market liberalisation."

She stressed that nothing coming out of the Apec ministerial or leaders' meetings was binding on any country.

Even the host country, Indonesia, was split on the question and, at the Apec ministers' forum, the consensus was that a path toward a free trade area was not acceptable, she said.

Traditionally, Apec meetings are held every other year in an Asean country. Singapore was host in 1990 Thailand in 1992 and Indonesia this year.

Japan will host next year's meeting in Osaka, followed by the Philippines in 1996 and Canada in 1997. That leaves only Brunei and Malaysia from Asean to host the 1998 meetings, but Brunei does not have the facilities to accommodate the thousands of delegates and journalists who now attend each meeting.

Asean sources said that Malaysia volunteered without anyone asking. The announcement at yesterday's ministerial meeting was said to have been greeted by enthusiastic applause.

Malaysia, which has always denied it opposes Apec, has now moved from the situation last year when Prime Minister Mahathir Mohamed politely declined to attend the Seattle informal summit, through his accepting Indonesian President Suharto's invitation this year to lead Apec actively in 1998.

As host, Malaysia will chair Apec's key committees and play a major role in drafting Apec documents during the year.

Datuk Sri Rafidah said Malaysia wanted to be active in Apec's work programmes, which range from cooperation on customs procedures to education and training.

"We hope that by 1998, we'll be able to see most of programmes realised so that Apec can start looking at other areas for it to undertake," Datuk Sri Rafidah said.

One non-Malaysian Asean official described Malaysia's action as a "major offer" that would benefit Asean as a whole. The timing would be good because by 1998, Malaysia would be close to joining Singapore as Asean's second newly industrialising country (Nic), he said.

By 1998, the Asean Free Trade Area programme will reach its halfway mark, with significant tariff cuts made. The official predicted that there would probably be very few items left in the tariff reduction scheme, leaving a clearer picture of Asean's situation in any moves to create free trade in Apec.

Those two factors would make 1998 a good launching pad for Asean's next steps, the official said.

But yesterday, Datuk Sri Rafidah remained opposed to any commitment to liberalise trade in Apec within a specified timetable. She said a commitment would contravene Apec's cardinal principle—non-binding—of the Asia-Pacific Economic Cooperation group. [sentence as published]

She also shared the concern of Deputy Prime Minister Suphachai Phanitchaphak that Apec could be giving itself too little time to study the implications before plunging into free trade plans.

As Malaysia sees it, for Apec to state the free trade goal within a timetable is tantamount to a commitment which goes against the voluntary nature of Apec, and clashes with the implementation of the Uruguay Round multilateral trade agreements starting early next year.

Datuk Sri Rafidah gave a blunt "no" to the question whether Malaysia would accept an agreement in principle to set a target year for trade and investment liberalisation in the region, a much- debated point among Apec officials and ministers, and expected to come up at Tuesday's informal summit.

"Once you have a timetable, it's really moving toward a free trade area. So the answer at this point is no. But if you talk about market liberalisation by undertaking removal of non-tariff barriers, of constraints to free flow of trade and market access, I would agree," she said.

Malaysia is not alone in expressing its reservations, she insisted, otherwise yesterday's ministerial statement issued by Apec ministers would have been different.

The statement contains a single paragraph of comment on the report of the Apec Eminent Persons' Group [EPG] of academics and economists proposing regional trade and investment liberalisation.

An earlier draft of the ministerial statement would have contained comments on the EPG's report covering more than a full page. But because ministers from several countries commented on a number of aspects of the report, and because they sought numerous changes to the draft, the final statement merely describes the report as a "valuable reference" containing "a number of fundamental and important principles."

This year's Apec ministerial meeting covered about 10 topics ranging from the reports on trade liberalisation and updates of Apec work programmes to a voluntary investment code and a declaration on cooperation on human resources development.

The United States secured agreement to set up a permanent private sector body for Apec and an educational foundation.

Mexican Commerce Secretary Backs Trade Zone

PA1511124894 Mexico City UNOMASUNO in Spanish 13 Nov 94 p 17

[FBIS Translated Text] Jakarta, 11 Nov—Jaime Serra Puche, Mexican secretary for commerce and industrial development, said today that his country approves the proposal to turn the countries of the Asia-Pacific Economic Cooperation Forum [APEC] into a free trade zone but added that the realization of this proposal "will not happen quickly."

During a recess at the APEC meeting, Serra Puche said the proposal must be studied thoroughly because some APEC member countries, such as China and Malaysia, still oppose it. In addition, Mexican economic adviser Jaime Zabludovsky said APEC could become a useful instrument for promoting regional trade. The member countries represent more than 50 percent of the world's GNP and have one of the region's highest growth rates.

As the leading point of debate, the APEC summit agreed to transform the member countries into a free trade zone, something anticipated to take place between 2010 and 2020.

APEC is made up of the following countries: Australia, Chile, Mexico, Malaysia, China, South Korea, Indonesia, United States, Brunei, Canada, Hong Kong, Japan, New Zealand, Papua New Guinea, Philippines, Taiwan, and Singapore.

So far, the United States, Australia, and Singapore are the most important countries in favor of setting a timetable for establishing free trade in the region. They want to preserve APEC's credibility as a forum for specific action.

According to experts, consolidating such an agreement is untimely because each member country is going through a different stage of economic development and economic opening.

Also within the APEC framework, it was reported today that Mexico and Australia will sign on Sunday a commercial and investment agreement to improve economic relations and increase their present trade.

13 November APEC Proceedings

Kono, Qian Qichen Discuss Taipei, Nuclear Issues

OW1311084494 Tokyo KYODO in English 0823 GMT 13 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 13 KYODO—Taiwanese President Li Teng-hui will not attend an informal summit of the Asia-Pacific Economic Cooperation (APEC) forum expected in Osaka next year, Japanese Foreign Minister Yohei Kono indicated Sunday, according to Japanese Government officials.

"Japan wants to hold the Osaka APEC summit by making the Seattle and Indonesian summits as a model," Kono was quoted as saying in a meeting with Chinese Foreign Minister Qian Qichen.

Li did not go to the first informal APEC leadership meeting held in the U.S. city of Seattle. He also has no plan to attend the Indonesian APEC summit, which will take place in Bogor outside Jakarta next Tuesday.

Kono's remarks followed a recent request by Taiwan for Tokyo to accept Li's visit to the planned Osaka summit, which has yet to be agreed to during the Bogor meeting.

A Taiwanse minister said last month Li's visit to Japan next year is "a unanimous wish" of the Taiwanese people.

Kono urged Beijing to stop conducting underground nuclear tests, indicating such tests would affect Japan's aid policy toward China.

Tokyo understands China is planning to join a treaty bannning all nuclear tests around 1996 but Japan hopes Beijing will conclude the pact "as early as possible," Kono was quoted by the officials as saying.

Qian said China, advocating prohibition of nuclear arms, wants to join the pact at an early time. China has conducted underground nuclear tests twice this year, prompting critics to review Japan's fourth package of official loans to China to be extended over a five-year period from 1996.

The nuclear tests are seen as a violation of Japan's conditions for extending Official Development Assistance (ODA). The ODA guideline sets out Japan's opposition to the presence of weapons of mass destruction in a country receiving ODA assisance.

Japan wants to map out a framework of the fourth loan program within this year, Kono was quoted as saying. He added the amount of the new loans will be fixed in a manner that would win the Japanese people's understanding, indicating further nuclear tests by China would cause a reduction in loans.

The Chinese foreign minister was quoted as saying China wants to see early formulation of the yen loan program in cooperation with Japan.

Kono and Qian are in Jakarta to attend the sixth APEC ministerial meeting, a two-day gathering that ended Saturday. Qian told Kono that APEC, along with ASEAN, can serve to enhance the "stability" and "prosperity" of the Asia-Pacific region.

The Chinese minister opposed the setting of a strict trade liberalization deadline for APEC, saying Beijing will seek "flexible stances" among members, the Japanese officials said.

Qian called for implementing Asia-Pacific free trade plans in a manner that will lead to the area's economic development on a long- term basis, the officials said. Both Kono and Qian hailed the recent nuclear pact between North Korea and the United States. Qian noted that tension had increased briefly on the Korean peninsula but dialogue among parties concerned led to its relaxation.

Qian told Kono he hopes the parties will smoothly implement steps in line with the pact, which calls for Pyongyang to introduce a safer nuclear power program with the backing of advanced nations.

Suharto Holds Talks With Four APEC Leaders

BK1311135594 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 13 Nov 94

[Report by Hesna Prahesna]

[FBIS Translated Text] President Suharto held talks with four Asia-Pacific economic leaders at the Jepara Room of Merdeka Palace in Jakarta. They were South Korean President Kim Yong-sam, Japanese Prime Minister Tomiichi Murayama, Singapore Prime Minister Goh Chok Tong, and Chinese Taipei economic leader [title as heard] Vincent Siew. The talks took place separately. President Kim Yong-sam was accompanied by his wife because he is concurrently paying a state visit to Indonesia. The South Korean guest's visit ended officially at 1500 West Indonesian Time [0800 GMT] when President and Mrs. Kim Yong-sam bade farell to President and Mrs. Suharto at Merdeka Palace. However, President Kim Yong-sam will continue to stay in Indonesia to attend the Asia-Pacific Economic Cooperation [APEC] economic leaders meeting in Bogor on 15 November. Indeed, President Suharto's talks with his guests centered mainly on the APEC meeting.

This was disclosed by Minister and State Secretary Murdiono following the conclusion of all the talks this evening. The leaders discussed what will become a consensus during the upcoming Bogor meeting. Minister Murdiono explained President Suharto's initiatives in view of the actual conditions of the APEC member countries.

[Begin Murdiono recording] Of course, Asia-Pacific countries will take steps differently because they have different stages of economic development. President Suharto has tried to put together views offered by all leaders. [end recording]

Special assistants have been assigned to prepare substances for the APEC meeting. According to Minister Murdiono, all preparations have been well under way.

[Begin Murdiono recording] Although the leaders will meet just for one day, they will more or less issue decisions as a common consensus. Based on the premise that APEC members have different stages of economic development, the president has offered the principles of partnership as the ideal basis for cooperation among APEC members. The Marrakech agreement on the conclusion of the Uruguay round of multilateral talks should, therefore, be implemented. One of the important points is the formation of the World Trade Organization [WTO]. [end recording]

Indonesia has endorsed the formation of the WTO. Indonesia and South Korea share similar views on concepts for the enhancement of APEC. This was disclosed by Minister Murdiono following the talks between President Suharto and President Kim Yong-sam.

[Begin recording] During the talks, the two leaders reaffirmed their respective positions on the upcoming Bogor meeting. The ROK president told President Suharto that he would his best to ensure the success of the Bogor meeting. In Kim's opinion, the Bogor meeting will truly be an important historic landmark. [end recording]

Meanwhile, Minister Murdiono also briefed reporters on the results of talks between President Suharto and Japanese Prime Minister Tomiichi Murayama. The minister said Japan supported President Suharto's initiatives to be endorsed at the Bogor meeting. The results of the Bogor meeting will recap the views of Asia- Pacific leaders conveyed by their special assistants.

Murayama, Suharto Discuss APEC, East Timor

OW1311103594 Tokyo KYODO in English 1020 GMT 13 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 13 KYODO—Japanese Prime Minister Tomiichi Murayama told Indonesian President Suharto on Sunday that Japan wants to invite leaders of countries and territories in the Asia-Pacific Economic Cooperation (APEC) forum to Osaka next year for the group's third informal summit.

Japanese officials said Murayama unveiled the plan during a meeting at Merdeka Palace with Suharto, host of the second APEC summit set for Tuesday in Bogor near Jakarta.

Suharto expressed support for the plan, noting Indonesia wants to cooperate with Japan to achieve the goals of APEC, the officials said.

During the 100-minute meeting, Murayama and Suharto covered a wide range of bilateral and international issues, from Japan's economic assistance to Indonesia to topics at the APEC leaders' meeting in Bogor, they said.

Murayama, who flew into Jakarta on Saturday, indirectly called for Indonesia to make efforts for an early solution of the East Timor issue.

Indonesia annexed East Timor, a former Portuguese colony, in 1975. But East Timor's incorporation into Indonesia is not recognized by the United Nations, and Jakarta is under frequent criticism from some Western governments over human rights records in the territory.

Murayama told Suharto that Japan, as the chair country of APEC next year, wants to hold an APEC summit as well as a ministerial meeting.

Since its founding in 1989, the regional group covering 18 countries and territories in the Asia-Pacific area has sponsored six ministerial conferences, including the one held in Jakarta on Friday and Saturday.

On a summit level, the Bogor gathering will be the second of its kind, following last year's meeting in Seattle in the United States.

Suharto expressed the belief that the APEC forum should serve as a group to build a basis of the Asia-Pacific area in the future, the officials said.

The Indonesian president told Murayama the Bogor meeting should be a place for devising a basic Asia-Pacific trade policy while taking into account the diversity of APEC member countries, they said.

At stake at the Bogor summit is whether APEC leaders can set a time frame for liberalizing Asia-Pacific trade.

Murayama and Suharto covered the trade liberalization matter, said the officials. But they declined to go into specifics.

The prime minister touched on Japan's foreign aid policy and told Suharto that Japan will pay attention to such factors as basic human rights, the environment, arms exports and the level of democratization. Japan is the largest aid provider to Indonesia.

Murayama's reference to basic human rights and democratization represented an indirect request for Indonesia to settle the East Timor issue at an early time, diplomatic sources said.

The officials said Murayama vowed to continue Japan's economic assistance to Indonesia in line with its Official Development Assistance (ODA) guidelines, which list a set of conditions for Japan to extend aid, including promotion of democratization and protection of basic human rights.

Murayama's indirect request to Indonesia on the East Timor issue came at a time when hundreds of youths staged street demonstrations in the East Timor capital of Dili, demanding the release of political prisoners.

Murayama and Suharto agreed that their countries will continue to cooperate in promoting mutual economic and cultural projects, the officials said.

Citing the recent discovery of natural gas resources, Suharto said an expected liquefied natural gas project could help secure a stable supply of energy to Japan.

Murayama told Suharto he hopes the project will stabilize Indonesia's energy supply.

On trade issues, Suharto asked Japan to further lower tariffs on lumber products, the officials said. But Murayama answered in the negative, explaining a tariff cut beyond levels agreed to under Uruguay Round accords would hurt the domestic industry further.

Murayama invited Suharto to visit Japan. Suharto replied he will consider visiting "at an appropriate time," the officials said.

Suharto last made a state visit to Japan in 1968, just after he was inaugurated as president. He visited Japan several times unofficially.

Japan's Hashimoto Comments on APEC, U.S. Ties

OW1311135194

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0042 GMT on 13 November, in its "Sunday Discussion" program, which begins at 0000 GMT, carries a 33-minute live interview with Ryutaro Hashimoto, minister of International Trade and Industry, by NHK commentator Takashi Yamamoto, Hosei University Professor Yuji Suzuki, and international consultant Yukio Okamoto. Hashimoto is in an unidentified room in Jakarta, where a meeting of the Asia-Pacific Economic Cooperation, APEC, forum is being held, and appears on the program via satellite hookup to the NHK studio where the interviewers are located.

Yamamoto first asks Hashimoto about the benefits of the APEC ministerial meeting. Hashimoto says: "One of the results is that principles for investment have been established." He adds that "what has to be appraised is that Indonesia, despite its various domestic problems, has proposed liberalization of trade and investment and called for APEC member nations' cooperation. If the proposal were made by the United States or the European Community, it would have been expected, but I think the fact that such a proposal has been made by an Asian nation is remarkable."

After reviewing the function of APEC, Yamamoto asks whether developing countries' opposition underlies a decision made at the ministerial meeting to leave the issue of setting up a deadline for achieving the goal of free trade and investment to the summit talks. Hashimoto says that in the meeting there was no distinction between industrialized nations and developing countries, noting it was originally decided that the deadline was a matter to be discussed at the summit talks. Asked what sort of role Japan should play in APEC, Hashimoto says: "Japan can cooperate in various fields. We can teach our systems or know-how to APEC nations or we can give training to APEC nations. To help nurture business leaders of small companies, we have already announced a plan to invite 100 trainees from APEC nations for training over the next two years. This plan is drawing APEC nations' attention. In the field of human resources development, Japan can play a role by establishing various technical structures." Yamamoto says some people expect Japan to act as an intermediary between the United States and Asian nations, and asks for Hashimoto's view. Hashimoto says Japan has been playing such a role.

Hosei University's Suzuki asks: "It has been reported in Japan there is confrontation over the idea of forming the East Asia Economic Caucus (EAEC). But this time, can we say APEC nations are heading toward development in a different way?" Hashimoto answers: "We have come to Jakarta but we have not discussed the EAEC with Malaysia. In the past I often told Malaysian leaders not to exclude such countries as Australia and New Zealand from the EAEC framework. Meanwhile, I told Australian leaders, including Mr. Keating, to consider joining or expanding the framework rather than sticking to Australia's own position. Since APEC leaders, including those from Malaysia, know my opinion they did not try to discuss the issue concerning EAEC, and therefore this issues was not discussed at the ministerial meeting."

At 0102 GMT, turning to Japan-U.S. relations, Yamamoto asks Hashimoto how he views bilateral relations after the mid-term elections in the United States. Hashimoto says: "Well, I already met Mr. Kantor. I am scheduled to meet Commerce Secretary Brown tomorrow, and U.S. Ambassador to Japan Mondale and I were on the same airplane to Jakarta. But I felt they are still unable to understand how the outcome of the elections will affect bilateral relations. What I can say, however, is that I do not think the fundamentals of the Japan-U.S. economic relations will change as a result of the elections. The surplus of Japan's current account balance is not shrinking, for example. Probably, we will continue to have problems forever unless we reduce the balance of current account in a meaningful manner. In this sense, there is no fundamental change in the situation that requires us to exert efforts in macro areas by promoting tax system reform by introducing tax reductions first, and reviewing the fundamental plan for public investment."

Asked by Okamoto if he feels the United States is trying to make direct approaches to the Asian nations, not only in the economic field but in all areas, without cooperating with Japan, Hashimoto says: "Mr. Hosokawa (when he was prime minister) started full-grown relations with the United States. Because of that, we are having difficulties in bring our relations back to an ordinary state. After having heated discussions overnight into the morning of 1 October, we finally managed to reconstruct our relations. We are now at the stage where we can finally make compromises. Probably, we have not yet reached a point of acting in harmony in every field. However, I am sure you, yourself, Mr. Okamoto, agree that the situation has changed considerably since the Naples summit talks were held. At the same time, we are stopping the United States—although it decided to apply the Super 301 on Japan over the auto spare parts issue of the framework talks—from taking further actions against us. While making such efforts, I have met with Mr. Kantor in Jakarta. We are attending the APEC after exchanging opinions. This is the current situation."

Asked what impact Japan-U.S. cooperation at APEC will have on Japan-U.S. bilateral relations, Hashimoto says he cannot say for sure, but adds: "We want to restore the relations so we can have discussions without reservations."

On settling pending issues at the Japan-U.S. framework talks, Hashimoto says "perhaps the Ministry of International Trade and Industry will be able to announce a considerable number of measures for easing regulations by 31 March next year." Regarding setting numerical targets for procurement of foreign-made auto parts, Hashimoto says he cannot accept the U.S. demand because that is something for private companies to decide. He goes on to say he can accept reasonable demands but not demands such as those on wood products and paper which are included in the watch-list of the Super 301.

Singapore's Goh Interviewed on APEC, EAEC

BK1511135394 Jakarta SUARA PEMBARUAN in Indonesian 14 Nov 94 pp 1, 19

["Excerpt" of an interview with Singapore Prime Minister Goh Chok Tong by SUARA PEMBARUAN correspondents Harry Kawilarang and Kristanto Hartadi in Jakarta on 13 November—italicized passages published in English]

[FBIS Translated Text] [SUARA PEMBARUAN] Honorable Prime Minister Goh Chok Tong, do you predict that APEC [Asia-Pacific Economic Cooperation] will become a free trade area in the region?

[Goh] First we must look at APEC's long-term goal. APEC is aimed at reducing tariffs and realizing nonbinding investment principles, but the goal is to see that the Pacific area is not divided into two. North America has launched NAFTA, the North American Free Trade Agreement, which will expand southward to include Chile. Meanwhile Europe will become more inward-looking. In East Asia, economic growth follows its own pattern and we do not want to compare it to North America.

At the moment, there seems to be a European economic bloc, an economic bloc of North and South America, and the Asian economic bloc. We do not see it as good for the world when there are opposing economic blocs. In this context, APEC will link Pacific America to Pacific Asia so that we can engage in trade and investment. That is APEC's strategic goal.

So rather than just meeting and talking, we must come out with an accord to achieve a concrete consensus, as was the target of the Seattle summit. When Indonesia assumed the leadership of APEC Singapore was very happy, especially with President Suharto's initiative to bring about a liberalized trade vision through reasonable steps; that is, by supporting and referring to the Eminent Persons Group (EPG) recommendations on a timetable to achieve liberalized trade.

We hope that concrete measures are adopted at the Jakarta meeting so that the emphasis of the meeting is on a timetable for the realization of liberalized trade.

[SUARA PEMBARUAN] What is the meaning of a *free trade area or free trade in the area*?

[Goh] A *free trade area* is a formal structure in which every member has to agree on the reduction of tariffs and uniformity in customs. On the other hand, *free trade in the area* is a working principle whereby every member can reduce tariffs according to its domestic situation. We must not have an external tariff nor uniformity in customs.

With *free trade in the area*, we must reduce our tariffs at a particular time, and during the time of the reduction there must not be any escalation of nontariff barriers or quotas in any particular country. In APEC it is possible to exchange notes to prevent member countries from enacting nontariff barriers.

[SUARA PEMBARUAN] Do you think the APEC economic leaders will reach a consensus on a timetable for free trade? We understand that some leaders have raised objections to it.

[Goh] We have not met, so I do not know what will be decided. Based on feedback from the senior officials taking part in meetings over the last couple of days, I am optimistic that we will come to a consensus on *free trade in the area.*

Though I am not 100 percent certain, I am optimistic that some countries objecting to the timetable will come to a flexible consensus through dialogue.

[SUARA PEMBARUAN] What is Singapore's opinion of the East Asia Economic Caucus, EAEC?

[Goh] This will require time, as we are now concentrating our attention on APEC. Singapore, however, supports the idea of EAEC because under the caucus East Asian countries can meet and discuss their respective domestic problems. The important thing to realize is that the concept must not threaten APEC; it must be consistent with GATT; and it must not weaken unity in ASEAN, because ASEAN countries are at the core. When these conditions are fulfilled EAEC can be established.

[SUARA PEMBARUAN] Is APEC a good forum to overcome the tendency toward mutual distrust among Asian countries?

[Goh] Yes, APEC can prevent Asian countries from becoming suspicious of one another. APEC is a mechanism in which no country can threaten another. It will boost mutual confidence. APEC brings together East Asian leaders each year to discuss the problems of communications so we will understand each other better. The leaders have the same purpose—to bring prosperity to their people.

[SUARA PEMBARUAN] What do you expect out of the meeting in Bogor?

[Goh] Based on my experience in Seattle, when the APEC leaders met on Blake Island the atmosphere was very conducive because we met informally. We talked, had a luncheon, took a look around the meeting place, and thus the one-day meeting produced a promising atmosphere. In Bogor, I hope we will enjoy an equally warm atmosphere so that we can solve problems with good feeling, especially in support of the communique prepared by President Suharto.

[SUARA PEMBARUAN] How are bilateral relations between Indonesia and Singapore?

[Goh] Relations between Singapore and Indonesia are close and warm. We in Singapore have promised to assist in developing Batam into an industrial area, which will create employment opportunities for 30,000 people. In tourism we have a number of tourist resorts in Indonesia, such as Manado, Ujungpandang, Lombok, Solo, and Padang. The private sector is taking part in tourism management as well as in tourism projects in which they invest capital, always working hand in hand with the locals. We also cooperate with the private sector in developing infrastructure projects such as freeways. The 50 km Solo-Yogja freeway, for example, is financed by the private sector. The same thing will done in the development of the eastern part of Indonesia, such as Manado and Ujungpandang.

Canadian Minister Addresses Businessmen

BK1311085994 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 13 Nov 94

[Report by Hendro Martono—currency not specified]

[FBIS Translated Text] Canadian International Trade Minister Roy MacLaren held talks with businessmen in the Indonesian-Canadian Business Council in Jakarta this morning. Although it was a meeting to get to know each other, Minister Roy MacLaren used the opportunity to reaffirm Canada's position in APEC [Asia-Pacific Economic Cooperation]. He said many questions remained unanswered in APEC. Will APEC promote global free trade by expanding the most-favored nation status? Are we on the way to a comprehensive but regional free trade area? Can we deepen our integration while simultaneously widening the membership? How will APEC deal with other free trade areas, particularly NAFTA [North American Free Trade Area]? These questions were posed by the Canadian international trade minister.

Nevertheless, he praised Indonesia for taking steps to promote free trade by reducing the tariffs of 739 items and abolishing surcharges on 108 items. In addition, Indonesia has impressively changed its investment rules.

On the volume of Indonesian-Canadian trade, Minister MacLaren said the volume reached $905 million last year and it will hopefully surpass $1 billion. Canadian investment in Indonesia has amounted to $3.5 billion, and new investment will exceed $5 billion in the next two or three years.

The meeting between the Indonesian and Canadian businessmen in Jakarta this morning was also attended by Communications Minister Haryanto Dhanutirto and Tourism, Posts, and Telecommunications Minister Joop Ave.

Chilean Economic Minister Interviewed on Goals

BK1311154994 Jakarta ANTARA in Indonesian 1430 GMT 13 Nov 94

[FBIS Translated Text] Jakarta, 13 Nov (ANTARA)—Chile, which is the newest member of the Asia-Pacific Economic Cooperation forum (APEC), says it has no problem in cooperating with the other APEC members. This was stated by Chilean Economic Minister Alvaro Garcia Hurtardo.

Speaking to ANTARA after delivering his address at the Pacific Basin Economic Council (PBEC) symposium on Sunday in Jakarta, he said: "I do not see any difficulty in cooperation. Rather, we give top priority to cooperation with the other APEC members. This can be seen through the change in the percentage of our current trade with Asia; it was previously directed toward the West."

He said the level of economic variation among the APEC members will further hasten the spirit of cooperation for mutual benefit.

APEC comprises 18 members—the six ASEAN members (Indonesia, Malaysia, Singapore, the Philippines, Thailand and Brunei Darussalam), China, Taiwan, Hong Kong, Papua New Guinea, Australia, New Zealand, the United States, Canada, South Korea, Japan, Mexico, and Chile.

Hurtardo said that the economic growth in the Asia-Pacific region is attractive to the Latin American community.

He added: "The Latin American region is very interested in participating in the Asia-Pacific development strategy through an increase in exports. I foresee a great opportunity in the integration of the two markets (Latin America and the Asia-Pacific), which are rapidly expanding."

According to him, about 70 percent of Chile's total exports flow to the APEC member countries, while a large proportion of foreign investment in Chile comes from APEC member countries.

Hurtardo stressed that, in principle, his country would like trade liberalization in the Asia-Pacific region to commence as soon as possible. He said: "Chile wishes to move quickly to participate in trade liberalization. We have unilaterally started non- reciprocal free trade and we will support the hastening of the free trade process in this region."

Chile's economic situation noted an upswing in 1992 with 10.4 percent growth. Its GNP was recorded at $41.3 billion. In 1993, the country's per capita income reached $3,225 and its GNP recorded a growth of 3.4 percent during the first quarter of 1994.

Chile's trade accounted for 60 percent of its GNP while its exports and services accounted for nearly 35 percent of its GNP. The country exports more than 3,400 products from 5,000 industries to 150 countries, 30.8 percent of which goes to Asia, 28 percent to Europe, 19.8 percent to Latin American countries, and 18.2 percent to the United States.

Chilean Economic Minister Addresses Symposium

BK1411020694 Jakarta ANTARA in Indonesian 1808 GMT 13 Nov 94

[FBIS Translated Excerpt] Jakarta, 13 November (ANTARA)—There is no reason for Chile not to join the Asia-Pacific Economic Cooperation [APEC] not only because Chile is situated on the southern part of the Pacific but also because Chile badly needs the Asia-Pacific region to promote its economy, said Chilean Economic Minister Alvaro Garcia Hurtado.

Addressing a Pacific Basin Economic Council symposium in Jakarta on Sunday, Hurtardo said economic growth in the Asia-Pacific region is quite attractive to Latin American economies.

"Besides Chile, other Latin American countries are very keen in taking part in development in the Asia-Pacific region by increasing aexports. I see a great opportunity that will arise from the integration of two fast-growing markets (Latin America and the Asia-Pacific region)," he said.

He said some 70 percent of Chile's total exports flow into APEC members and the largest proportion of foreign investment in Chile also come from APEC members. [passage omitted]

Chilean Foreign Minister Jose Miguel Insulza said he believed that APEC is a forum which can make the Asia-Pacific region as a model for world cooperation.

"Chile can become a gateway for the Asia-Pacific region into Latin America due to its political stability, economic synergy, and investment rules," said Foreign Minister Insulza.

Touching on Chile's stance on a free trade timetable, the Chilean economic minister said Chile in principle wants free trade to be implemented as soon as possible.

"We are ready now because we have undertaken open and free trade unilaterally and reciprocally," he said.

Mexico, Australia Sign Trade, Investment Pact

PA1511140994 Mexico City EL FINANCIERO in Spanish 14 Nov 94 p 34

[FBIS Translated Text] Jakarta, Indonesia, 13 November—Mexico and Australia have signed a Framework Agreement on Trade and Investment, which contributes to the promotion of trade and investments between both countries by relying on clear-cut guidelines and mechanisms.

The agreement, signed by Jaime Serra Puche, the Mexican commerce and industrial development secretary, and Australian Trade Minister Robert McMullan, constitutes the second agreement of its type Mexico has signed with a Pacific Basin nation.

Among the points included in the agreement are the promotion of meetings between businessmen of both nations, the organization of seminars as well as commercial and industrial fairs, and the identification of opportunities leading to the establishment of joint investments.

The agreement also includes the creation of a bilateral commission, which will meet for the first time in mid-1995 and will be responsible for promoting and encouraging closer economic cooperation.

Likewise, the commission will be responsible for periodically supervising and evaluating the commercial and investment relations between both nations in addition to promoting conditions to expand economic and investment relations.

14 November APEC Proceedings

Malaysian Foreign Minister Arrives for Meeting

BK1411070894 Kuala Lumpur Voice of Malaysia in English 0600 GMT 14 Nov 94

[FBIS Transcribed Text] Malaysia is not putting obstacles in trade liberalization efforts in the Asia-Pacific Economic Cooperation, APEC, and opposing a set deadline for the region's trade liberalization. Minister of Foreign Affairs Datuk Abdullah Ahmad Badawi said Malaysia is also not uncooperative by taking a vocal and firm stand against the present timetable for dismantling trade barriers in the region.

Speaking on arrival in Jakarta, Datuk Abdullah brushed aside critics that Malaysia would face the prospect of isolation in APEC for its stepped-up opposition to the timetable. He pointed out that Malaysia is not alone in expressing reservations on the plan. Other member countries have expressed similar views.

APEC ministers at their two-day annual meet agreed on a nonbinding investment code for trade liberalization but did not reach a consensus on adopting the timetable plan, which will be left to the leaders to decide when they meet in Bogor.

Mexican President Arrives for APEC Summit

BK1411090394 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 14 Nov 94

[Report by Yustina Wigadi]

[FBIS Translated Text] Dear listeners! A Boeing-757 airliner carrying Mexican President Carlos Salinas de Gortari landed at Halim Perdanakusuma Airport about 10 minutes ago. Upon arrival, the Mexican president was greeted by Agriculture Minister Syarifudin Baharsyah, Mexican Ambassador to Indonesia Jorge Trevion, Mexican Foreign Relations Secretary Manuel Tello, and Mexican Commerce Secretary Jaime Serra. The airliner landed at the airport about two hours behind schedule.

President Salinas is a North American economic leader, who has doctoral degrees in economics, politics, and government. He transformed his country from a protective, centralized economic system to an open economic system. Salinas has been dubbed as the father of Mexico's open economy.

The Mexican president, who is about 46 years old, will be received by President Suharto at Merdeka Palace this afternoon. Later, he will successively meet the Japanese minister of international trade and industry, the New Zealand trade minister, and Singapore Prime Minister Goh Chok Tong. Before attending a dinner banquet for the Asia-Pacific Economic Cooperation [APEC] economic leaders, President Salinas will hold talks with Philippine President Fidel Ramos. He will attend the APEC econommic leaders informal meeting at the Bogor Palace tomorrow.

Meanwhile, New Zealand Prime Minister Jim Bolger will arrive at Halim Perdanakusuma at 1515 West Indonesian Standard Time [0815 GMT] this afternoon. He will be the last APEC economic leader to arrive at Halim Perdanakusuma Airport.

On behalf of Sazli Rais and Nurhadi, this is Yustina Wigadi reporting live from Halim Perdanakusuma Airport.

Philippines' Ramos Arrives for Leaders' Meeting

BK1411121794 Quezon City PTV-4 Television Network in Tagalog 1000 GMT 14 Nov 94

[FBIS Translated Text] President Ramos today expressed strong conviction that the Asia-Pacific Economic Cooperation [APEC] meeting of member countries will be a big help in improving the country's livelihood. The president is currently in Indonesia to attend the APEC meeting, which he said will help the Philippines greatly in achieving newly industrialized status before the year 2000.

Among the proposals Ramos will present at the meeting are the establishment of technology exchange and training center for small and medium-sized industries, and the giving of ample protection to the thousands of Filipino migrant workers. These proposals were presented by Ramos at the APEC meeting in the United States last year.

Earlier, in his departure statement at the Ninoy Aquino International Airport this morning, the president said the APEC meeting is very important to the Philippines.

[Begin Ramos recording in English] In Indonesia I intend to pursue two Philippine proposals. First, an APEC consensus for the protection of migrant workers, in consideration of the criticality of labor as a component of the production of goods and services; and a debt-for-nature swap which effectively links protection of the environment with sustainable growth in the developing countries.

The APEC leaders at our second summit will explore practical ways of moving towards our shared vision of trade liberalization under an agreed time frame.

Our government supports trade liberalization in the Asia-Pacific region, consistent with the General Agreement on Tariffs and Trade, GATT, the ASEAN Free Trade Area, AFTA, and projected subregional growth area arrangements.

I see our membership in APEC as an integral part of our overall effort to propel our economy along the path of self-sustaining growth, so that we can once again perform creditably in the regional economic arena and regain our rightful place in the community of nations in which the Filipino can hold his head high. [end recording]

Included in the president's entourage is First Lady Amelita Ramos, Foreign Affairs Secretary Roberto Romulo, Trade Secretary Rizalino Navarro, and Press Secretary Jesus Sison.

This is the second Ramos visit to Indonesia since he assumed office. The president believes the APEC meeting will be a big help to his administration's desire to turn the Philippines into a newly industrialized country before the year 2000.

U.S., Japan, ROK Hold Trilateral Meeting

OW1411173094 Tokyo KYODO in English 1704 GMT 14 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 14 KYODO—Leaders of the United States, Japan and South Korea agreed Monday [14 November] that "successful implementation" of the October nuclear pact between Washington and Pyongyang is of "the utmost importance" in securing peace and stability not only on the Korean peninsula but also around the globe.

U.S. President Bill Clinton, Japanese Prime Minister Tomiichi Murayama and South Korean President Kim Yong-sam confirmed this in a Jakarta meeting as a way to accelerate the process of implementing a set of measures shown in the nuclear accord signed in Geneva on Oct. 21.

The three leaders got together in the Jakarta Convention Center on the eve of the second informal meeting of leaders from the Asia- Pacific Economic Cooperation (APEC) forum to be held in Bogor about 60 kilometers south from here.

In a joint statement issued after the trilateral meeting that lasted about 10 minutes, they "reaffirmed that improved South-North relations as well as the resumption of the inter-Korean dialogue will be essential for the full implementation of the U.S.-North Korean agreed framework."

Conference sources said the trilateral meeting was called at the initiative of Clinton, who in the meeting described nuclear proliferation as "the biggest threat" facing the world.

Clinton told Murayama and Kim that implementation of steps spelled out in the Geneva pact would be conducive to removing such a threat.

Japanese officials quoted Clinton as saying that the opportunity for the three leaders to get together has "a significant meaning" as it could signal to the world their willingness to solve problems on the Korean peninsula.

Japanese Prime Minister Murayama was quoted as saying, "We are just at the entrance" of the process of implementing the nuclear pact.

U.S. officials said the three leaders agreed on the importance of resuming inter-Korean dialogue as "critical...to ultimately achieving peace and stability on the Korean peninsula."

Murayama told the meeting the nuclear issue is "a global-scale problem requiring the international community, including the Group of Seven (G-7) key industrial countries, to play a role to achieve a solution." G-7 comprises the U.S., Japan, Britain, France, Germany, Italy and Canada.

Kim was quoted as saying that inter-Korean dialogue under trilateral cooperation will be effective in smoothing the way for Pyongyang to fulfill its obligations under the nuclear pact.

The Geneva accord calls for North Korea to freeze and eventually dismantle existing nuclear facilities, which are suspected to be capable of producing nuclear weapons.

In return, Pyongyang is to introduce safer light-water reactors under the help of an international consortium to be set up under the leadership of the United States.

Monday's three-way meeting did not touch on the respective amounts to be shouldered in building the new reactors, a point which is expected to be focused on shortly, conference sources said. An estimated 4 billion dollars is said to be necessary to help North Korea replace its graphite-moderated reactors with light-water ones.

Text of Joint Press Statement

OW1411160994 Tokyo KYODO in English 1602 GMT 14 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 14 KYODO—The following is the text of a joint press statement released by Japan, the United States and South Korea.

President Kim Yong-sam of the Republic of Korea (South Korea), Prime Minister Tomiichi Murayama of Japan and President Bill Clinton of the United States met in Jakarta and reviewed the security environment in northeast Asia. The three leaders shared the view that the security of the Korean peninsula is essential to the stability and prosperity of the region and affirmed the importance of the continued role for the U.S. in ensuring security in this part of the world.

They also reviewed their common strategy to deal with the North Korean nuclear issue. They strongly endorsed the U.S.-DPRK (North Korea) agreed framework for settling the nuclear issue, which opens the way to a new era of stability and increased prosperity in the region. President Kim briefed the other leaders on his initiative for inter-Korean economic cooperation and on the prospects for improvement in South-North relations. The three leaders reaffirmed that improved South-North relations as well as the resumption of the inter-Korean dialogue will be essential for the full implementation of the U.S.-DPRK agreed framework.

The three leaders agreed that successful implementation of the agreement is of the utmost importance and agreed to remain in close contact and to coordinate fully all aspects of implementation of the agreed framework and their respective policies towards North Korea.

Murayama, Jiang Discuss Taiwan, Nuclear Tests

OW1411065694 Tokyo KYODO in English 0649 GMT 14 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 14, KYODO—In a bid to smooth over strained relations, Japanese Prime Minister Tomiichi Murayama told Chinese President Jiang Zemin Monday that his government does not support "two Chinas," Japanese officials said.

The meeting in Jakarta was the first between Jiang and Murayama, who took office in June, and the first between leaders of the two nations since bilateral relations went awry over a Taiwanese leader's attendance at the Hiroshima Asian Games last month.

Murayama told Jiang in a 40-minute meeting that his government's policy toward China remains unchanged and that it will abide by the 1972 Joint Declaration which normalized bilateral diplomatic ties, the officials said.

The Japanese prime minister also indicated Japan will not invite Taiwanese President Li Teng-hui to an informal summit meeting of the leaders of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka next year, following the examples of meetings in the United States and Indonesia, they said. Li did not attend the first APEC summit in Seattle and is also not participating in this year's Bogor meeting on Tuesday.

Jiang voiced concern over the attendance of Taiwanese Deputy Premier Hsu Li-te at the Oct. 2-16 Hiroshima Asian Games, saying Beijing cannot support "one China and one Taiwan," the officials said.

"Frankly, opposition (against Japan) appeared among the Chinese people following Hsu's attendance at the Asian games," Jiang was quoted as telling Murayama. "But the Chinese Government has been coping with the problem with restraint," he reportedly said.

"We cannot support 'one China, one Taiwan,' and it is important to teach the history of the past to younger generations so we can continue friendly relations in the future," he was quoted as saying.

He also said jointly attending international meetings with Taiwan's Li is impossible because that will mean one China, one Taiwan.

Murayama agreed on the importance of correctly acknowledging history and added he believes exchanges among Japanese and Chinese youths will expand with the implementation of Japan's peace and friendship program Murayama hammered out this summer to express Japan's remorse for wartime actions, the officials said. Murayama and Jiang are in Jakarta to attend the informal APEC summit meeting.

Sino-Japanese ties have been frayed over Japan's increasing contacts with Taiwanese officials, including Hsu's attendance at the Asiad.

Japan pledged in the 1972 declaration to recognize Beijing as the sole legitimate government of China, severing ties with Taiwan. Tokyo has since limited its contacts with Taiwan to nongovernmental activities in such fields as economics and tourism.

China refrained from boycotting the Asiad but canceled the planned attendance of State Councillor Li Tieying at the games and a separate trip to Japan by a Sichuan provincial delegation in protest to Japan's decision. Beijing also frowned at a recent meeting in osaka between Japanese and Taiwanese trade ministers.

In Monday's talks, Murayama and Jiang agreed friendly bilateral relations are important not only for China and Japan but for Asia and the rest of the world, the officials said.

Turning to bilateral economic ties, Murayama told Jiang he wants to agree with the Chinese side by the end of this year on the implementation of yen loans for the first three years of the 1996- 2000 period, they said. Murayama said Japan wants to cooperate in such fields as improving infrastructure and agriculture.

The Chinese Government reportedly is asking Japanese assistance of some 1.5 trillion yen over five years to cover 69 projects, including a new airport in Shanghai and express railway lines between Beijing and Shanghai. The figure is nearly double the 800 billion yen figure for the preceding six-year period that started in 1990.

Japan, which has extended loans to China since 1979, has been suggesting that the maximum amount it can provide will be about a trillion yen. Referring to Japan's guidelines in extending Official Development Assistance (ODA) which takes into account a recipient country's military trends, the Japanese prime minister urged China to refrain from conducting nuclear tests.

Murayama told Jiang that Japan is the only nation to be attacked with atomic bombs and that it wants nuclear experiments to be banned throughout the world. Despite repeated warnings by Japan that nuclear testing could hinder its economic aid, China conducted its second underground nuclear test of the year on Oct. 7

Also during the meeting, Jiang and Murayama invited each other to make a visit to their respective countries and the invitations were accepted, the officials said. Government sources have indicated Japan is considering December or early January as a possible time for Murayama to visit China.

Murayama, Kim Vow To Help DPRK on Nuclear Pact

OW1411060594 Tokyo KYODO in English 0558 GMT 14 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 14 KYODO—Japanese Prime Minister Tomiichi Murayama and South Korean President Kim Yong-sam on Monday pledged cooperation to help set up an international framework to assist Pyongyang fulfill a set of measures spelled out in its recent nuclear pact with the United States, Japanese officials said.

Murayama and Kim confirmed the importance of global cooperation as part of efforts to accelerate the process of creating an international consortium for North Korea to introduce new types of atomic power reactors.

The summit was held in a Jakarta hotel on the eve of the second informal meeting of leaders from the Asia-Pacific Economic Cooperation (APEC) forum, which will take place in Bogor near the capital, hosted by Indonesian President Suharto.

Murayama and Kim agreed their countries will continue to maintain contact in efforts to have the stalled normalization talks between Tokyo and Pyongyang resumed early, the officials said.

During the 65-minute meeting, the two leaders also agreed on the importance for Japan and South Korea to take steps "immediately" for an early return home of Korean people who were left behind on the far eastern Russian island of Sakhalin at the close of World War II and are still living there, the officials said.

Murayama said the international community, including the group of seven key industrial nations, should cooperate in establishing a "set framework" for an early formation of the consortium, the officials said.

Murayama and Kim then agreed on the need for the international community to keep "a close tab" on whether or not Pyongyang will "smoothly fulfill obligations" pledged in the nuclear pact, the officials said.

Kim was quoted as saying the South Korean Government and its people see the latest Washington-Pyongyang accord as their own problem.

The agreement, signed in Geneva in October, calls for North Korea to freeze construction of a graphite-moderated nuclear reactor. In return, Washington will help create an international entity to provide Pyongyang with safer light-water reactors, which produce very little of plutonium, chemicals that can be used for nuclear weapons.

Murayama underscored the importance for South Korea, the U.S. and China to "closely" maintain cooperation toward achieving the goal set under the nuclear pact. Kim said he will support the proposal.

On ties between Japan and North Korea, Murayama was quoted as saying Tokyo is ready to conditionally restart normalization talks with Pyongyang. Bilateral normalization talks between Japan and North Korea have been stalled since late 1992. Murayama said he will study a plan to send the three ruling coalition parties to North Korea based on "full discussion" among parties concerned, according to the officials.

Kim was quoted as saying Seoul will join Japan in efforts to bring North Korea into the international community. The South Korean president also said he hopes North-South dialogue will help relax the tension on the Korean peninsula.

With regard to bilateral economic ties, Kim called for Japan to make efforts to help reduce its trade surplus with South Korea, estimated to swell to 10 billion dollars for this year, the officials said. Specifically, Kim asked Tokyo to formulate plans to expand imports from South Korea and open the Japanese market, according to the officials.

Citing a rising flow of parts into South Korea for assembly as a major reason behind the trade imbalance, Murayama was quoted as saying Tokyo is prepared to address the issue on a medium- and long- term basis.

Murayama also said Japan sees it as important for both countries to promote their industrial cooperation, especially among small companies, noting Japan recently sent an economic mission to South Korea to study investment environment in the country.

On freer trade and investment in the Asia-Pacific area, Murayama stressed the need for APEC members to craft a liberalization plan while taking into account the diversity of the economic situation in each member country.

Kim answered positively and said South Korea will support Japan for the success of next year's APEC informal summit in Osaka, the plans for which Tokyo formally unveiled Sunday.

Murayama and Kim agreed the two countries will cooperate more in reinforcing a framework to manage marine resources properly. They were addressing illegal fishing operations by South Korean fishermen in the Sea of Japan.

ROK President's Meetings in Jakarta Summarized

SK1411101694 Seoul YONHAP in English 1003 GMT 14 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 14 (YONHAP)—President Kim Yong-sam had busy schedules Monday, the third day of his visit here, having chain summit talks with the top leaders of key allies and holding an unscheduled meeting with U.S. President Bill Clinton and Japanese Prime Minister Tomiichi Murayama in the evening.

The summit talks began with his meeting with Prime Minister Murayama of Japan over breakfast at the Mandarin Hotel he was staying.

The meeting was followed by similar talks with Chinese President Jiang Zemin, President Clinton and Canadian Prime Minister Jean Chretien in that order.

In the evening, President Kim attended a banquet Indonesian President Suharto hosted at the convention center for the delegates to the APEC [Asia-Pacific Economic Cooperation] conference.

Immediately after the dinner, President Kim huddled with President Clinton and Premier Murayama in an unscheduled meeting to exchange opinions on the overall policy toward the North Korean nuclear question.

The Kim-Clinton summit lasted one hour beginning 3 PM at the American Embassy in Jakarta.

On arrival at the U.S. Embassy, President Kim directly proceeded to the conference room, at the entry of which he was greeted by Clinton. After exchanging greetings briefly, the two presidents introduced their respective key aides to each other.

President Kim met Canadian Prime Minister Chretien on the last leg of his chain summit talks at the Meridian Hotel where Chretien was staying. The two leaders, who met at the Seattle APEC summit last year, exchanged greetings at the hotel's conference room and entered business talks after introducing their aides. A source said the Kim-Chretien talks were centered on ways to further promote bilateral cooperation as well as to help manage the APEC summit successfully.

For the dinner hosted by President Suharto, President Kim drove to the Jakarta Convention Center to be greeted by the Indonesian president. Kim stepped into assembly hall no. 1 where he exchanged greetings with other leaders of the 18 APEC member countries over cocktail. They then moved to assembly hall no. 2 to receive Suharto's dinner speech and have dinner.

After the banquet, they moved back to assembly hall no. 1 to have an unofficial meeting of APEC leaders preliminarily reviewing the issue of regional trade liberalization, the main theme of Tuesday's APEC summit.

ROK President Interviewed on Free Trade Target

BK1511050294 Jakarta TVRI Television Network in Indonesian 0340 GMT 15 Nov 94

[Interview with ROK President Kim Yong-Sam by RCTI-SCTV correspondent Desi Anwar; place, date not given—recorded, with questions in English and answers in Korean fading into English translation]

[FBIS Transcribed Text] [Anwar] Mr. President, as you know the APEC [Asia-Pacific Economic Cooperation] conference is coming up on the 15th—the economic leaders meeting in Bogor in Indonesia. For the first time last year in Seattle you met our president, President Suharto, and you are meeting him again this time in Indonesia. Now I would like to ask you: Is there any special significance for you that the APEC conference will be held in Jakarta in Indonesia this year?

[Kim] The APEC organization has been holding its ministerial meetings for a period of six years, but from last year APEC held its first leaders meeting in Seattle, and this is the second leaders meeting in Indonesia. I feel very special about the fact that this time the APEC meeting is to be held in Indonesia because I myself proposed the idea of holding a meeting in your country last year, and of course President Suharto kindly accepted the proposal. Therefore, in many areas, I think that Jakarta provides the (?best) opportunity to develop this APEC organization. It that sense, I think it is very much significant. The countries which are participating in the APEC meeting include countries like the United States, Australia, Japan, ASEAN countries, China, and of course Korea, and this is a very important gathering of the member countries of the organization. And this time, I have no doubt that it has a great significance.

[Anwar] Mr. President, some APEC countries have proposed the Asia-Pacific rim be made into a free trade by 2020. Now (?I would like to ask you), Mr. President: How optimistic are you that this idea will be realized, and do you think 2020 is too long a time or too soon or what do you think?

[Kim] Well, I think that the world is changing at a very fast speed. Therefore, to us now in fact the year 2020 seems like a long future. But I think that one year in the past is something like one month at present. Therefore, of course, we can discuss from various perspectives on the desirability of setting the date of the year 2020 as the completion in stages of a free trade area in the Asia-Pacific region. But I think we can also discuss ways to accelerate the development of the free trade area even before the year 2020.

[Anwar] Thank you very much, Mr. Kim.

Suharto, Nine Leaders Say APEC Not Trade Bloc

BK1411132794 Jakarta ANTARA in Indonesian 1047 GMT 14 Nov 94

[FBIS Translated Text] Jakarta, 14 Nov (ANTARA)—President Suharto received nine APEC [Asia-Pacific Economic Cooperation] economic leaders at Merdeka Palace on Monday. In general, they all agreed that APEC is not a trade bloc.

Minister/State Secretary issued the statement after President Suharto held meetings with the nine leaders from 0900 am to 1300 this morning.

President Suharto received the Papua New Guinea prime minister Julius Chan, Canadian Prime Minister Jean Chretien, Hong Kong's financial secretary Hamish MacLeod, Chilean President Eduardo Frei, Mexican President Carlos Salinas, the Philippines President Fidel Ramos, Malaysian Prime Minister Mahathir Mohamed, Australian Prime Minister Paul Keating and Thai Prime Minister Chuan Likphai. President Suharto reiterated his views on what needs to be decided on during the upcoming meeting of the Asia-Pacific Economic Leaders Meeting (AELM) at Bogor Palace on 15 November.

Quoting the president, Minister/State Secretary Murdiono said: "President Suharto said APEC is not a trade bloc because the economies of the 18 members countries are at different levels and there is a need for mutual partnership and respect."

The awareness of the different economic levels would enable the strong economic nations to help their weaker partners.

He said: "But, the weaker economic countries should not depend totally on the developed counterparts but make greater efforts to improve themselves."

Touching on the agreements that are expected to be reached at the Bogor summit, Murdiono said the implementation of the agreements should be carried out in stages because of the different economic levels.

Speaking on the implementation of free trade in the Asia-Pacific region, Murdiono said: "Developed nations instead of their developing counterparts should first open their countries."

Meanwhile, commenting on President Suharto's consideration of AELM, Murdiono said the presence of the 17 APEC economic leaders proves that APEC is a success. He said: "The leaders have met with one another and this also reflects the importance of the AELM. If it was unimportant, then they would have not conducted their meetings in an intensive manner."

Murdiono added: "I believe the AELM [Asian Economic Leaders' Meeting] will find agreement on the basic issues as well as on future cooperation with one another."

President Suharto received Sultan Hassanal Bolkiah from Brunei Darussalam and South Korean President Kim Yong-sam on Sunday.

Malaysia's Mahathir Meets With Suharto

BK1411070494 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 14 Nov 94

[Report by Joko Saksono]

[FBIS Translated Text] President Suharto received Malaysian Prime Minister Dr. Mahathir Mohamed about 15 minutes ago. Unlike other guests who were received by the head of state earlier, Dr. Mahathir was approached by mass and electronic and media journalists after he finished his special meeting with President Suharto.

Responding to journalist's question on Malaysia's attitude toward the Asia-Pacific Economic Leaders Meeting [AELM] 1994, the Malaysian prime minister said that basically, Malaysia's attitude was the same as that of other APEC member countries. He said that during his meeting with President Suharto, they discussed efforts to make the AELM a success.

On the issue relating to Malaysia's rejection to the U.S. President Bill Clinton's invitation to hold bilateral talks, Dr. Mahathir Mohamed reiterated that it was not true and he would meet Clinton tomorrow in Bogor as scheduled.

Suharto Meets PNG's Chan, Thailand's Chuan

BK1411105094 Jakarta TVRI Television Network in Indonesian 1000 GMT 14 Nov 94

[FBIS Translated Text] President Suharto held talks with several APEC [Asia-Pacific Economic Cooperation] leaders at Jakarta's Merdeka Palace today. Our correspondent reports:

[Begin unidentified correspondent recording] At 0900 this morning President Suharto held talks with Julius Chan, the Papua New Guinea [PNG] economic leader. The talks, which lasted about 30 minutes, involved ways to boost bilateral cooperation, especially in economic cooperation, and preparations for the APEC Economic Leaders Meeting in Bogor tomorrow. The economy of this country—located next to Indonesia's Irian Jaya Province—is mostly controlled by immigrants who have invested their capital in the country, which has a population of about 4 million.

After meeting the PNG leader, President Suharto met with Thai economic leader Chuan Likphai. The Thai leader met with President Suharto at the previous APEC meeting in Seattle last year. With a per capita income of about $1,900, Thailand is now making efforts to upgrade its economic ties with the Asia-Pacific countries. Thailand's main exports are machinery, manufacturing equipment, and agricultural products. [end recording]

Bangkok TV on Suharto-Chuan Meeting

BK1411145094 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 14 Nov 94

[FBIS Translated Text] At 0940 today, Prime Minister Chuan Likphai and his party consisting of Deputy Prime Minister Suphachai Phanitchaphak, Foreign Minister Police Lieutenant Colonel Thaksin Chinnawat, and Government House Spokesman Aphisit Wetchachiwa paid a courtesy call on Indonesian President Suharto at the presidential palace.

According to the Government House spokesman, the Indonesian president thanked the prime minister and asked for his support to make the APEC [Asia-Pacific Economic Cooperation] leaders meeting a success, particularly on the agreement in principle on a free trade declaration. The prime minister is confident that the Indonesian president will be able to convince APEC leaders to accept free trade in principle. The prime minister said that the specifics on achieving free trade targets will be up to the officials concerned to work on; it should pose no obstacle to the officials at the ministerial level to implement. However, individual APEC countries have different degrees of readiness for free trade. The Indonesian and Thai leaders share the same view on this issue. They are confident that the current APEC meeting will be able to reach a conclusion which satisfies all sides.

At 1100, Singapore Prime Minister Goh Chok Tong called on the prime minister and his party in his room at the Hilton Hotel. In addition to progress achieved on the formation of a Thai-Singapore Business Council, they discussed the APEC leaders meeting which will take place tomorrow. The Singapore prime minister supports an agreement on free trade and believes that in 25 years ASEAN countries will be ready to implement this scheme.

At 1200, the prime minister met with Australian Prime Minister Paul Keating at Grand Hyatt Hotel for about 30 minutes. Foreign correspondents showed great interest in the meeting. The two leaders did not tell correspondents what transpired at their meeting. The Thai prime minister assigned the Government House spokesman to hold a news conference instead.

According to the spokesman, the prime minister affirmed to the Australian leader that the Thai Government does not provide direct or indirect support to the Khmer Rouge. The Defense Ministry has been instructed to hold a meeting of Armed Forces leaders to find out the facts of this issue. Soldiers found to have participated in any activities supporting the Khmer Rouge will face severe punishment. Meanwhile, the Australian leader is asked to phone the Thai prime minister directly if the Australian Government has any information. It is the view of the Australian government that being an elected government, the Thai administration will support the elected government in Cambodia. The Australian leader will convey the understanding he expressed today to his government and parliament. Both leaders share the view that assistance in management and administration should be given to the Cambodian Government so that it could better serve the Cambodian people's wishes.

[Begin recording] [Aphisit in progress] ...the Australian prime minister admitted that the current Thai Government's policy toward Cambodia is clear compared with those of the past. Although he has known Prime Minister Chuan only recently, he knows that the prime minister is sincere. [end recording]

Thai, Indonesian Foreign Ministers Discuss Trade

BK1411141994 Bangkok Voice of Free Asia in Thai 1030 GMT 14 Nov 94

[FBIS Translated Text] Thai Foreign Minister Police Lieutenant Colonel Dr Thaksin Chinnawat on 12 November met Indonesian Foreign Minister Ali Alatas at the Jakarta Convention Center. Mr. Thaksin introduced himself to Mr. Alatas upon taking over as the new foreign minister of Thailand. The two exchanged views on cooperation among ASEAN members and shared the belief that considerable progress has been made in this area.

On bilateral relations, the Thai foreign minister hopes to see an expansion in trade exchanges between the two countries. Ali Alatas also wishes to see more cooperation between Thailand and Indonesia in joint investment as it will mutually benefit both countries. He believes that cooperation between Indonesia, Malaysia, and Thailand under the economic growth triangle scheme will record noticeable progress and thus underline the importance of smooth relations between the three countries under the ASEAN umbrella.

Mr. Alatas invited the Thai foreign minister to pay an official visit to Indonesia. The Thai foreign minister, meanwhile, congratulated Indonesia on its election as a member of the UN Security Council.

Thai Premier Meets PRC's Jiang Zemin in Jakarta

BK1511015894 Bangkok Radio Thailand Network in Thai 0000 GMT 15 Nov 94

[FBIS Translated Text] Aphisit Wetchachiwa, spokesman attached to the Prime Minister's Office, has reported on the talks between Prime Minister Chuan Likphai and Jiang Zemin, president of the People's Republic of China at the International Convention Center in Jakarta yesterday. The two leaders discussed next year's celebration of the 20th anniversary of the establishment of diplomatic relations between Thailand and China. At the same time, Jiang Zemin officially informed Prime Minister Chuan that the Chinese Government will send a letter of invitation to His Majesty the King of Thailand inviting him to visit China next year. In addition, Thailand also thanked China for allowing Thailand to take part of the relics of the Lord Buddha—the finger bone—to install in Thailand for Thai Buddhists to pay homage to.

Suharto, Canadian Prime Minister Discuss Timor

BK1411141594 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 14 Nov 94

[FBIS Translated Excerpt] We now hear Minister/State Secretary Murdiono's briefing on bilateral relations between Indonesia and the countries whose leaders paid courtesy calls on President Suharto:

[Begin Murdiono recording] [passage omitted] The Canadian prime minister said he considers the upcoming leaders meeting important because he views the Asia-Pacific as the most dynamic region. Referring to the bilateral field, the Canadian prime minister hoped that trade relations between the two countries can be further improved. He also made several offers of economic assistance.

I would like to stress here that the Canadian prime minister, in his capacity as President Suharto's personal friend, inquired to the president in connection with the East Timor issue—concerning what happened in Dili yesterday and also what happened at the U.S. Embassy. The president explained that according to the report he received in Jakarta, the incident yesterday in Dili only involved local members of the public in Dili. [end recording] [passage omitted on guests arriving for banquet at Jakarta Convention Center]

Malaysia's Mahathir Meets Australia's Keating

BK1411093994 Kuala Lumpur Voice of Malaysia in English 0800 GMT 14 Nov 94

[FBIS Transcribed Text] Australian Prime Minister Paul Keating, who caused a stir at the Asia-Pacific Economic Cooperation, APEC, summit in Seattle last year by calling his Malaysian counterpart Datuk Sri Dr. Mahathir Mohamed a recalcitrant, made up for his undiplomatic outburst following one hour of talks with the Malaysian leader in Jakarta. [Words indistinct] a meeting held at Keating's request at Dr. Mahathir's suite at the Shangri-La Hotel, Keating refused to answer questions from journalists. However, Datuk Sri Dr. Mahathir later described it as very successful.

Later, Foreign Minister Datuk Abdullah Ahmad Badawi told journalists that the atmosphere of the meeting was very cordial. Among other things, they discussed ways to further enhance bilateral ties between the two countries and agreed to make a success of the Bogor summit. The leaders would (?seek) new direction for trade and investment liberalization in the region. Datuk Abdullah said that the two premiers had also agreed that Australia and Malaysia initiate cooperation in the fields of scientific and technological research mutually beneficial for both countries.

Australia's Keating Meets Jiang Zemin 14 Nov

BK1411080094 Hong Kong AFP in English 0737 GMT 14 Nov 94

[By Jack Taylor]

[FBIS Transcribed Text] Jakarta, Nov 14 (AFP)—Australian Prime Minister Paul Keating told Chinese President Jiang Zemin here Monday that China stands to gain more from a timetable for trade liberalisation in the Asia-Pacific region than by making an early return to GATT.

The talks, on the eve of Tuesday's summit of Asia Pacific Economic Co-operation (APEC) group leaders, were part of a hectic schedule of pre-summit bilaterals for the Australian leader.

He also met Malaysian Prime Minister Mahathir Mohamad and Thai Prime Minister Chuan Likphai in the morning and was due to meet US President Bill Clinton over lunch before seeing Indonesian President Suharto later.

Keating told reporters in his talks with Jiang, he gave him an Australian economic model showing the benefits from liberalisation under APEC plans, compared to benefits flowing from GATT's Uruguay Round of global trade talks.

China has been lobbying hard to rejoin the General Agreement on Tariffs and Trade (GATT) by the end of the year, so that it can become a founder-member of the forum's successor, the World Trade Organisation (WTO) in 1995. But it has run into objections from Washington, insisting on further reforms of the Chinese economy.

"I think China understands, based on Australia's economic modelling of APEC benefits versus Uruguay round benefits, that they (APEC's) far outstrip the Uruguay Round benefits for China," said Keating.

"In fact China is probably the largest beneficiary of the APEC change...I think what it does is confirm China's own view that APEC provides tremendous economic opportunity for China."

China said Monday it backed a target date of 2020 for completing APEC trade liberalisation, providing this was linked to flexible arrangements for developing countries, struggling to open their economies to external competition.

In his earlier meeting with Mahathir, Keating indicated he had obtained no clear picture of Malaysia's stance on the key issue of setting a target date for trade liberalisation.

"But I think Malaysia certainly sees advantages in the developed countries committing themselves to an earlier date for liberalisation. I think that is a very large matter for the developed countries."

His meeting with Mahathir was the first since his celebrated row with the Malaysian leader over his description of him as "a recalcitrant" for boycotting last year's Seattle summit.

But he said he had got on "very well" with Mahathir. "But I always have when I've met him in the past, as I did in Cyprus a year or so ago."

"On this occasion, we had a good meeting about our bilateral relationship, about the growth in our trade, about the exchange of people, about the (Malaysian) students in Australia, about our capacity to do things together in third markets."

Keating ignored a question about the "recalcitrant" comment, saying he had had a "valuable and frank discussion" about bilateral matters and about "the larger game of APEC."

Of the "larger game", he said: "I think you'll find out exactly what people support probably this evening and tomorrow.

"People are trying at this stage to feel out everyone else to see what all these words really mean in the minds of the major players."

But he said he believed there is "gathering support" for a declaration on trade liberalisation. "So far discussions have gone well."

The meetings were set against a backdrop of continuing protest by East Timorese at the US embassy, but Keating said the demonstrations had no bearing on any of the talks, adding: "It was not overshadowing what's happening here.

Chilean President's Activities Summarized

PY1411213094 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 14 Nov 94

[FBIS Translated Text] President Eduardo Frei said in Jakarta today that he hopes new contacts will lead to the creation of a Pacific community.

[Begin recording] [Reporter Jose Miguel Alfaro] The APEC [Asia-Pacific Economic Cooperation] meeting did not go unnoticed for the majority of the 8 million inhabitants of Jakarta, where the main streets are full of signs related to the economic forum. Important companies were also engaged in welcoming the visitors, who are distributed in the large hotels. The situations of some visitors are worth mentioning. For example, the sultan of Brunei took over seven floors of the modern Hyatt Hotel, while the U.S. delegation, which encompasses about 600 people, took over one of the towers of the Hilton Hotel. This hotel has also become, in comparative terms, the operations center of the small Chilean official delegation headed by President Eduardo Frei. President Frei held his first meeting with the prime minister of Singapore, and continued his round of talks with the presidents and chiefs of state of the remaining 17 countries making up APEC. Frei also held a 30-minute meeting with President Suharto in the government palace. In addition to the protocol meetings, President Frei is seeking to strengthen the process of integration and economic cooperation with Indonesia. To this purpose Frei visited the Jakarta industrial fair, which is similar to Fisa [Santiago Industrial Fair].

[Frei, speaking to Indonesian and Chilean businessmen] At the APEC meeting in Jakarta we are working to make the Asia-Pacific region one of the main axes for giving greater dynamism to the world economy through trade liberalization, greater investments, and the transfer of technology. We want to participate actively in the construction of the new era of trans-Pacific cooperation, become an important participant in the transformations taking place in the region, and help create a real Pacific community.

[Indonesian Tourism Minister Joop Ave, in Spanish] We are the first to cross the bridge of cooperation, and we hope that many more Chilean and Indonesian businessmen will use this bridge frequently.

[Alfaro] In the meeting of APEC leaders to be held in Bogor, President Frei will meet with U.S. President Bill Clinton to stress Chilean interest in beginning prompt negotiations for signing a free trade agreement with the United States or joining NAFTA. [end recording]

Hong Kong Financial Secretary on Liberalization

HK1511034894 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 15 Nov 94 p 1

[By Amy Chew in Jakarta]

[FBIS Transcribed Text] Financial Secretary Sir Hamish MacLeod is hopeful that a clear commitment towards free trade will be made at the Asia-Pacific Economic Co-operation (APEC) leaders summit in Bogor, Indonesia. After a meeting with President Suharto in in Jakarta yesterday, he said: "I am hopeful that we will get a good, clear declaration at the end of the meeting (today) on moving towards free trade by a certain date."

Sir Hamish accepted that some countries had understandable reasons for not committing themselves to a target date. "But the general thrust here, the general enthusiasm, is certainly very much moving towards free trade," he said. "So I hope we can carry along the few who have reservations with this in the next couple of days. I very much hope that there will be a specific timetable, or a specific target date at least, by which APEC should achieve free trade."

Sir Hamish said the challenge of the coming year would be to flesh out the general commitment—to work out the details on what was meant by free trade and how to achieve it. The importance of receiving such commitment from the leaders of the 18 APEC member countries ought to be recognised because it was equivalent to making a moral declaration which would pave the way for discussions on free trade in the region. "We must not underestimate what a major step that would be," Sir Hamish said. "We are talking about countries which have very different trade regimes ranging from the very liberal, like Hong Kong, to pretty protectionist regimes with relatively high tariffs and a number of quotas and other restraints."

He also warned against focusing only on one issue .

"While that (declaration on free trade) is the most important thing to get out of this meeting, we must not lose sight of all the other improvements that we want APEC to carry on with," he said. "There is a danger that as tariffs and quotas come down, protectionism might move into other areas, like anti-dumping measures, different standards, linkages to labour legislation and so on."

Suharto Addresses APEC Leaders at Banquet

BK1411140794 Jakarta Radio Republik Indonesia Network in Indonesian 1230 GMT 14 Nov 94

[Speech by Indonesian President Suharto at a dinner banquet in honor of APEC leaders at the Jakarta Convention Center; monitored in progress—live]

[FBIS Translated Text] [Suharto, in progress] ...Your Excellencies' presence here this evening reflects our determination to realize the vision which we declared together at our previous meeting on Blake Island last year. Even though there are great differences in culture, political systems, and stages of economic development among us, we all long for the creation of an Asia-Pacific economic community based on the growing spirit of friendship which will enable us to work together to cope with the challenges of the ever-changing regional and global economy. As such, our region will be able to contribute to the world economy, which increasingly supports an open international trade system by reducing obstacles to trade and investment flow. We long for dynamic economic growth which will be enjoyed by all. We will enjoy high skills, good education, prosperity, and high mobility. And we will have a future with a preserved environment for the sake of continued development.

Our vision is indeed challenging, but we believe we can achieve this goal if we work together. There is no question that the Asia-Pacific is now the most dynamic region in the world. In 1993, we produced half of the total gross products in the world and claimed 41 percent of the total global trade. Our average per capita income is two and half times greater the world's per capita income. More than two billion people, or 38.5 percent, of the human population live in this region. Our area is twice as large as Europe, and we have vast natural resources to realize our vision.

There is no doubt that we have the will to realize our vision. Therefore, 1994 has been a busy year for APEC [Asia-Pacific Economic Cooperation]. We have launched several activities to speed up trade and investment liberalization in this region. At the same time, we have also removed obstacles to our socioeconomic development. Indeed, we have already completed the first step on our journey to realize our common vision. When we meet again in Bogor tomorrow to assess the progress we have made and plan our next great steps, we will become the focus of world attention because whatever we decide will certainly have a great impact on the global economy.

Furthermore, I hope our meeting in Bogor tomorrow will prove a more important fact that big and small countries will be able to work together for the greater interest, namely, the industrialized and advanced countries can still work together with developing countries to cope with the challenges of the ever-changing regional and global economy.

Your Excellencies, in the statement about our vision, we agree that our economic growth is based on an open multilateral trade system. The transformation of Indonesia's economy from tumultuous to dynamic has proved that deregulation policies and economic integration can produce great progress. Despite the different social, cultural, and political systems in our region, we all want to improve our quality of life through economic growth and prosperity. We are all convinced that economic growth and prosperity depend on the removal of obstacles to trade and investment.

We in Indonesia believe that all APEC countries, despite their level of economic development, will benefit from liberalized trade and investment and greater economic integration. Therefore, let us continue our economic development based on the excellent foundation we have laid down together. Let us continue to cherish interpersonal and economic relations among APEC members because this is the only way we will be able to realize our great vision, which we adopted together on Blake Island.

Your Excellencies, allow me to invite you all to toast a society which has common interests, objectives, and determination in a mutually beneficial cooperation in the Asia-Pacific! May what we wish be realized in our time! May almighty God bless all of us! Thank you.

Deadline of 2020 Spelled Out in APEC Draft

OW1411152994 Tokyo KYODO in English 1455 GMT 14 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 14 KYODO—A draft declaration prepared for Tuesday's [15 November] meeting of leaders from the Asia-Pacific Economic Cooperation (APEC) forum has set the year 2020 as the deadline for freeing trade and investment in all goods and services in the Asia-Pacific region.

Leaders from the 18 APEC members "agree to announce our commitment to complete the achievement of our goal of free and open trade and investment in Asia-Pacific no later than the year 2020," according to the draft, which was obtained by KYODO News Service.

The draft is dated Nov. 15, the day of the regional group's second informal summit where APEC leaders will announce a scenario for transforming the Asia-Pacific area into a free trade zone.

The draft calls for "the pace of implementation" to take into account "the differing levels of economic development among APEC economies."

Developing countries should achieve the free trade target by 2020, with developed and newly industrializing countries taking the lead by 2010, the draft said. The draft proposal is basically in line with a vision earlier crafted by Indonesian President Suharto, who, as the host of this year's APEC summit, will announce the Bogor Declaration, named after the summit's venue about 60 kilometers from Jakarta.

Whether or not a time framework for Asia-Pacific trade liberalization is mentioned in the declaration was the main focal point of Tuesday's summit, a big political occasion for Suharto, who wants it to become a historical event for his country.

Advanced nations like the United States and Australia have been pushing for a specific target date while less developed countries like Malaysia have been stubbornly against setting such a target.

As the draft is not a final version, last-ditch bargaining is expected between the two camps all night, conference sources said.

The draft stated the leaders' "strong opposition to the creation of an inward-looking trading bloc that would divert from the pursuit of global free trade."

It also said benefits from freeing trade should be "not only the actual reduction of barriers among APEC economies but also between APEC countries and non-APEC countries."

"In this respect, we will give particular attention to our trade with non-APEC developing countries to ensure that they will also benefit from our trade and investment liberalization in conformity with the general agreement on tariffs and trade (GATT) and the World Trade Organization (WTO)," it said.

The statement indicates that APEC will try to achieve free trade on an unconditional or most-favored-nation basis, the concept adopted under GATT rules, instead of a conditional or reciprocal basis.

A report prepared by the Eminent Persons Group (EPG), an APEC advisory body, as a basis for discussion at the summit, listed two approaches in an equally important manner.

The U.S. and Japan have been at odds over what approach should be taken when free trade benefits are to be extended to nonmembers.

Washington favors conditional liberalization while Tokyo is pushing for the unconditional GATT-consistent approach.

On a time frame for achieving APEC trade freedom, it would appear to be difficult to drastically revise the latest draft, including deleting the proposed 2020 deadline from the final version of the Bogor Declaration, conference sources said.

APEC countries which are strongly against a time setting may agree to include the 2020 deadline in return for winning a commitment to make the target year non-binding, the sources said.

During Monday's meeting, Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton agreed to lend support to Suharto's initial proposal.

China, which had been reticent about introducing a time target until recently, shifted to the U.S. camp Monday, with a spokesman saying, "We support the objective of achieving trade liberalization by the year 2020."

Some members, like Hong Kong, have been advocating trade liberalization "from tomorrow."

Malaysian Prime Minister Mahathir Mohamad, who spearheads the opposition camp, arrived in Jakarta on Monday and met with Indonesian President Suharto. But he declined to comment on the talks.

A joint statement issued after a meeting of APEC ministers held in Jakarta on Friday and Saturday as a prelude to the Bogor summit, fell short of reaching a consensus on the issue, leaving the task to Tuesday's meeting of APEC leaders.

Events Leading to 2020 Deadline

BK1511034594 Bangkok THE NATION in English 15 Nov 94 pp A1, A4

[Report by Yindi Loetcharoenchok and Atchara Phongwutthitham]

[FBIS Transcribed Excerpt] Jakarta—Holding his "trump card" as the bigger brother, Indonesian President Suharto will clear the last stumbling block to win Malaysia's support for a proposal to create open and free trade in the Asia-Pacific by the year 2020, officials said yesterday.

Asia-Pacific leaders, moving towards the free trade pact, spent the eve of their summit manoeuvring through a jammed agenda of human rights, bilateral squabbles and the North Korean nuclear issue.

Suharto assured Thai Prime Minister Chuan Likphai during a bilateral meeting that Malaysia would join the bandwagon to support the Asia-Pacific free trade proposal after he had a chance to talk to Malaysian Prime Minister Mahathir Mohamed.

Kuala Lumpur is the only remaining opponent and a strong critic of the Asia-Pacific Economic Cooperation's [APEC] free trade policy, fearing that the move is turning APEC into a trade bloc, to the advantage of the developed economies.

"Mahathir cannot antagonize Indonesian President Suharto by rejecting his free trade proposal," an ASEAN official said. "Each country has a stake in the other and they rely on bilateral cooperation for their economic development."

Indonesia controls the main sea lanes through the lower South China Sea and the Strait of Malacca. Any denial of access to these crucial areas would badly affect Malaysia's security.

Last evening, Suharto, who is staking his statesmanship on the outcome of the APEC summit, hosted a working dinner to welcome the other 17 leaders of the Pacific rim countries. Afterwards, senior officials scrambled to jointly put the final touches on the draft declaration of the Bogor summit.

"There are still some technical terms that need to be worked out. Some countries do not like the term 'deadline' but prefer 'goal' instead. Others want 'no later than the year 2020' to be changed to 'by 2020'," one official said.

Chuan told Suharto that Thailand prefers that the wording in the final statement not to be too broad nor too obligatory, so that there is flexibility for members to commit themselves to trade liberalization.

"The final statement should be written in a practical way. We do not want the next generation to question what we are now trying to achieve," said Aphisit Wetchachiwa, the government's spokesman.

Suharto told Chuan that Indonesia would like the final statement to reflect a determination on the part of all leaders to achieve the goal, without any hesitancy or second thought, he said.

Today Suharto will host a second informal APEC summit at the Bogor Presidential Palace, at which the leaders are expected to agree to "achieve full implementation of open and free trade in the Asia Pacific by the year 2020", according to one of the latest draft statements.

Officials said the United States, Canada and most ASEAN countries did not have any objections to a declaration citing 2020 as the target date to achieve free trade in the region, while China, Japan, Malaysia and South Korea preferred that the statement leave out the timeframe.

Late last night officials were still trying to categorize countries into either developed or developing economies, which would have to commit to the complete removal of tariff and non-tariff barriers by 2010 and 2020 respectively if the leaders approve the free trade package.

A Thai official said Singapore and Australia supported Thailand's designation as a developing nation obligated to dismantle its tariff and non-tariff barriers by the year 2020, although Thailand earlier indicated that it could commit to free trade by 2010. [passage omitted—Clinton's meetings on North Korean issue]

Japan

Clinton's 'Soft' Approach Toward Tokyo Noted

OW1511093594 Tokyo YOMIURI SHIMBUN in Japanese 15 Nov 94 Morning Edition p 3

[By correspondent Tsutomu Okamoto]

[FBIS Translated Text] Jakarta, 14 Nov—At his summit meeting with Prime Minister Murayama, President Clinton set aside his harsh criticism of Japan by speaking highly of Japan's policy to expand domestic demand and welcoming a deal struck between Japanese and American negotiators at the Japan-U.S. economic framework talks. In response, the Japanese side heaved a sigh of relief, saying, "We believe that Japan has now weathered the roughest wave of criticism from the United States," (according to a Foreign Ministry source). Nonetheless, it remains unclear how a crushing defeat of the Democratic Party suffered in the midterm elections will affect Japan-U.S. relations. It is also unclear how the issue of replacement auto parts to which the United States has applied the Super 301 Provision should be handled. In this way, the two countries are still faced with a host of bilateral issues they will have to resolve, clouding prospects for better relations between them.

A source of the Japanese delegation stressed that at the summit meeting with Prime Minister Murayama, President Clinton softened his tough stance on Japan and said: "While Japan faced a rough wave from the United States at the Naples Summit (the summit of industrialized nations), here in Indonesia, it is facing a gentle wave from it."

Explaining reasons for the U.S. President taking a soft attitude toward Japan, the Japanese side cited steps Japan has taken in the microeconomic field which include: 1) cut taxes three years prior to the consumption tax raise, and 2) an addition of 630 trillion yen in public investment.

A high-ranking U.S. Government official corroborated the Japanese side's view by speaking highly of measures Japan has taken to expand domestic demand.

Commenting on the returns of the midterm elections in the United States, President Clinton asked Prime Minister Murayama not to be concerned about them, stating, "The United States has a different electoral system from Japan." But no one knows for sure how the election results will affect the relationship between Japan and the United States in the future.

The Japan-U.S. economic framework talks have left some trade issues unresolved. While International Trade and Industry Minister Hashimoto and U.S. Trade Representative Mickey Kantor have agreed to resume negotiations on automobiles and auto parts, President Clinton stressed the importance of automobiles and auto parts at the summit meeting. However, no mention was made at the summit meeting of the replacement auto parts to which the United States has applied the Super 301 Provision.

At the summit meeting, the President cited deregulation and negotiations on sheet glass and other sectors on which the two countries have yet to reach any agreement and then asked for "more progress." It was apparent that the President intended to take the initiative in resuming the negotiations in a bid to avoid being criticized by the Republican Party.

The criticism still lingers in the United States that "the Clinton administration is unable to have Japan's trade surplus reduced only with the Japan-U.S. economic framework talks." Even if the framework talks proceed smoothly, the trade imbalance between the two countries, which has given rise to friction between them, will continue in the future. Therefore, it is unpredictable when the rough wave of criticism against Japan will emerge again.

U.S. 'Sending Mixed Signals' on Auto Talks

OW1511044994 Tokyo KYODO in English 0439 GMT 15 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO—The United States is sending mixed signals on stalled bilateral auto trade talks, leaving its intentions unclear, Trade Minister Ryutaro Hashimoto said Tuesday.

Japan is perplexed at what Washington really means about restarting the talks on autos and auto parts, the head of the Ministry of International Trade and Industry told a regular news conference after a morning cabinet meeting.

Japan set several conditions last week for restarting the auto talks, including a refusal to negotiate on areas "beyond the government's reach."

According to Hashimoto, Trade Representative Mickey Kantor took Japan's stance as an agreement to restart the talks, while commerce secretary Ron Brown said Tokyo's conditional offer was not grounds for resuming the negotiations.

Hashimoto said Japan is waiting for word from Jeffrey Garten, commerce undersecretary for international trade, to decide the timing and even whether to restart the auto talks.

Japanese officials said Sunday, however, that Hashimoto and Brown in a Jakarta meeting confirmed an accord, reached by Kantor and the trade minister Thursday, to restart the auto talks soon. They said Brown did not object to Tokyo's call for limiting the auto talks to areas "within government reach."

Kantor told KYODO NEWS SERVICE after his meeting with Hashimoto that "we agreed we will resume auto talks," while a Japanese official said only that the two agreed to "explore" the timing for reopening the auto trade talks if "an environment leading to a mutually acceptable solution is created."

The official said Kantor did not explicitly accept Japan's conditions, such as avoiding anything beyond the government's scope—for example, industry purchasing plans—and avoiding "numerical targets" to measure progress.

Tokyo, Washington Begin Deregulation Talks

OW1511024794 Tokyo KYODO in English 0235 GMT 15 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO—Japan and the United States began working-level talks on deregulation and competition policy Tuesday [15 November] under a bilateral "framework" by reviewing recent U.S. requests.

Japanese deregulation, the subject of a five-year plan the government aims to compile by the end of March, received renewed emphasis Monday at a Pacific rim summit when U.S. President Bill Clinton told Prime Minister Tomiichi Murayama he hopes U.S. expectations will be reflected in Tokyo's plan.

The two-day working-level trade talks at the Japanese Foreign Ministry were to begin with U.S. officials explaining in detail the 11-area list drawn up for the talks, to be followed by separate talks on the wide range of issues brought up by the U.S., ministry officials said.

The U.S. seeks concrete deregulation measures in such areas as telecommunications, distribution, financial services and automotive industries, Japanese Government sources said over the weekend.

Japan is represented by officials from the Foreign, Finance, Trade, Farm and Transport Ministries and the Management and Coordination Agency, among others. On the U.S. side are officials from the office of the U.S. Trade Representative and the Justice Department.

Washington wants Tokyo to announce yearly the number of foreign newcomers to Japanese markets, to ease restrictions on foreigners entering the telecommunications market and review regulations on access by competitors to the telecom network of Nippon Telegraph and Telephone Corp., the sources said.

The U.S. also wants less regulation of big retail stores, further opening of the pension fund market, a review of the auto inspection system and strengthening of the Fair Trade Commission.

Official on U.S. Proposals

OW1511113294 Tokyo MAINICHI SHIMBUN in Japanese 15 Nov 94 Morning Edition p 9

[FBIS Translated Text] At the Japan-U.S. economic framework talks, the United States presented Japan with a set of proposals for relaxing regulations in 10 sectors, including telecommunications and distribution. Commenting on the U.S. proposals at a news conference on 14 November, Hideaki Kumano, administrative vice international trade and industry minister, said: "The United States has compiled the set of proposals in response to a call from Japan. The relaxation of those regulations is within the government's reach and Japan will discuss them with the United States. I believe that the set of proposals is rational."

Miyashita To Hold Talks With U.S. Counterpart

OW1511020094 Tokyo KYODO in English 0144 GMT 15 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO—The environmental chiefs of Japan and the United States will meet Thursday and Friday in Tokyo to discuss bilateral cooperation on environmental issues, Japanese Government officials said Tuesday [15 November].

Japan's Environment Agency Director General Sohei Miyashita and U.S. Environmental Protection Agency Administrator Carol Browner have three items on their agenda—ways to prevent global warming, economic measures to promote environmental protection, such as imposition of environmental taxes, and environmental assistance to developing countries, the officials said.

Meetings between the two countries' environmental chiefs have been held alternately in Japan and the U.S., based on the 1975 Bilateral Accord on Environmental Protection. However, this will be the first meeting after a break of five years, the officials said.

Miyashita and Browner will issue a joint statement after discussing the three agenda issues and exchanging opinions on the two countries' 15 environmental projects including environmental assessment and water pollution control, they said.

They said the economic measures on the agenda to promote environmental protection will include the trading by U.S. companies of options to emit limited amounts of pollutants into the environment.

This measure, introduced in the U.S. in March 1993 as a way to reduce toxic emissions, allows firms to buy and sell "rights" to emit pollutants, under an overall ceiling to be imposed by the government from 1995. Japan recently began studying the possibility of introducing a similar measure, the officials said.

Itochu Named To Become ERINT Missiles Agent

OW1411144594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Nov 94 Morning Edition p 11

[FBIS Translated Text] Loral Vought Systems, a subsidiary of major U.S. defense contractor Loral Corp., will give sole agent status to Itochu Corp. to sell a new missile system to replace the Patriot air defense system. The new missile system, called "ERINT [Extended Range Interceptor]," is expected to become the main body of the theater missile defense (TMD) system advocated by the United States.

Now that the Defense Agency is considering a new air defense system for Japan, U.S. weapon manufacturers see good business opportunities for ERINT and other interceptor weapons.

The United States is calling for Japan's participation in the TMD initiative in view of ballistic missile development by the DPRK (North Korea). The TMD system detects enemy missiles with airborne warning and control system (AWACS) aircraft and satellites, and intercepts them with ground or surface-based missiles at any altitude.

ERINT is a land-based missile being developed as a replacement for the Patriot, and is intended for middle altitude targets. Its unique feature is a new flight control system called Side Thruster. Loral Vought will conclude the sole agent contract with Itochu by as early as next week so that business talks with the Defense Agency can be opened.

The U.S. Defense Department once planned to use modified Patriot missiles for the TMD system, but in October it decided to adopt ERINT. Loral Vought has started full development of ERINT missiles under a $515-million contract with the U.S. Army, though the final development cost of the project is expected to amount to $2 billion.

The Defense Agency has yet to decide whether to get involved in the TMD initiative, but its procurement of a new air defense system will certainly become the centerpiece of Japan's new defense program commencing in fiscal 1996. However, the introduction of weapons finished in the United States is likely to affect domestic defense industries. Japanese companies will want their roles in the project under license, and this will make business talks more complicated.

Government Pushing Establishment of WTO

OW1511024194 Tokyo YOMIURI SHIMBUN in Japanese 13 Nov 94 Morning Edition p 3

[FBIS Translated Text] The main task facing the final phase of the current Diet session is deliberation of ratification of an agreement for establishment of the World Trade Organization (WTO), which was approved at the Uruguay Round (multilateral trade negotiations). While it has become certain that many countries, including the United States that holds the key to the WTO's establishment, will ratify the agreement by the end of this year, no good prospects for deliberations on the agreement have been noted in Japan. Therefore, the government has become increasingly irritated. Keeping in mind the term of the current Diet session (which ends on 3 December), the government is determined to seek understanding from the ruling and opposition parties. A Foreign Ministry source said: "We will be blamed for any delay in establishing the WTO if we do not ratify the agreement by the end of this year."

On 7 November, explanations of the agreement and reasons for submission of relevant bills were made at a meeting of the lower house special committee for deliberation of the WTO and other matters. But there is no prospect of setting a schedule for holding the next meeting. It is likely that actual deliberations will start on or after 16 November at the earliest, when Prime Minister Murayama returns home. Currently, he is visiting Indonesia to attend the Asia Pacific Economic Cooperation (APEC) conference. The ruling and opposition parties are not making strenuous effort for deliberation on the Uruguay Round agreement because farmers are anxious about liberalization of agricultural products. In addition, the ruling and opposition parties are waiting to see how other countries handle the issue. A Liberal Democratic Party source said: "Many countries still have not ratified the agreement. There is no need for Japan to get ahead of other countries."

Of the 125 countries and regions who signed the Uruguay Round agreement, only 26 countries (as of 4 November), including Singapore and Mexico, have ratified and accepted the agreement so far. Most other countries are still watching the actions of the United States.

However, with the United States virtually certain to ratify the agreement within this year and the WTO likely be established in January next year, the situation has changed. Initially some members of the U.S. Congress thought that ratification of the agreement would be postponed until late this month because of the midterm elections. Following the recent coordination between President Clinton and senior officials of the Republican Party, however, an agreement was reached to take a vote on ratification of the Uruguay Round agreement at the House of Representatives and the Senate on 29 November and 1 December respectively. Because of this, the Ministry of Foreign Affairs [MOFA] is of the view that the agreement "will be ratified for sure," (according to a senior MOFA official). It is said that the European Union (EU) will ratify the agreement; Britain and Germany have completed actual deliberations; and France is waiting for a decision of the European Court over trade rights [tsusho kengen] for services [as published].

As a result of this, the Japanese Government thinks that 1) the countries which have been waiting to see the response of the United States, will move toward ratifying the agreement; and 2) inauguration of the WTO in January will be officially confirmed at a high working-level meeting, slated to be held on 8 December.

The government is apprehensive of possible delay in ratifying the agreement. A MOFA source said that "all other countries will hate us and we will be isolated if inauguration of the WTO is delayed" due to Japan delaying ratification of the agreement. The government plans to try its best in behind the scenes maneuvers to have the Uruguay Round agreement ratified before the end of this year.

MITI To Control Exports With Military Potential

OW1511095394 Tokyo MAINICHI SHIMBUN in Japanese 7 Nov 94 Morning Edition p 1

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] decided Sunday [6 November] to introduce controls by the summer of 1995 on exports of general-purpose consumer products—such as machine tools, and high-quality steel pipes—that can be used to develop and produce nuclear, biological, and chemical weapons of mass destruction. Following the movement to set up an export control organization to replace the Coordinating Committee for Multilateral Export Controls [Cocom], MITI considers its new measure to be the core of a new arms-related control system in the post-Cold War era.

Bearing in mind Japan's wish to become a permanent member of the United Nations Security Council, MITI will construct an internationally responsible technology management system before other countries point out Japan should do so. Voluntary control by Japan, a world center of high-performance, general-purpose, consumer technology will have significance.

Under the proposed regulation called "knowledge control," a manufacturer has to apply to MITI for a license to export a product if it recognizes the product may be diverted for military use by the importing nation. The regulation principally depends on the conscience of exporters. The control has been criticized as putting too much of a burden on companies because there is a possibility it could apply to a wide range of industrial products, including high-performance personal computers and software, once it has been fully implemented.

As a result, it is important to settle on "objective criteria" in terms of country, product, and destination to determine the scope of the regulation, and details will be worked out within a year.

The number of local disputes has increased since the end of the Cold War. There have been notable cases in which countries involved in disputes have produced or remodeled arms by using imported general-purpose industrial products, and the present arms export control measure is known to be inadequate in dealing with such situations. There is, therefore a need for a new international control on the export of industrial consumer technology and products which can be adapted for military use.

MITI will convene the Industrial Structure Council's subcommittee on Security Trade Control (chaired by Takayoshi Imai, it is an advisory panel to the MITI minister) on 11 November, and present its basic policy. A firm plan will be drafted within a year, and the Export Trade Control Order will be amended in the summer of 1995 and put into effect. MITI have compiled a list of about 200 specific products which the council will study and narrow down to provide the "objective criteria" that will serve as guidelines when application is made for a license. In addition, destinations that could lead to the production of weapons—such as arms factories and nuclear facilities—will be specified.

Approximately 20 countries, including Iraq, Iran, Libya, and the Democratic People's Republic of Korea (North Korea), are candidates likely to be subject to the proposed export control.

A negative aspect to the control measure has been pointed out, namely that identifying individual countries will not only cause diplomatic problems but will also lead indirectly to the recognition that those countries not on the list are considered safe. Such rigidity will prevent the control measure from coping with new developments.

To meet this criticism there will also be discussion of a "post-Cold War method" that is able to promptly deal with a changing situation. One suggestion is to use a phrase such as "areas where a dispute may arise" in the regulation's wording. Then specific countries affected by the control measures will be determined on each occasion based on up-to-date information.

However, unlike the Cocom era when export control was limited to the Communist bloc, the burden is on MITI to prove that an exporter knew that a general-purpose product imported by a country involved in a conflict was to be used in making arms. In this way, the liability of firms is lightened and any hindrance to their ordinary business will be kept to a minimum.

Curbing Strategic Exports

OW1111133294 Tokyo KYODO in English 1307 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—The Ministry of International Trade and Industry (MITI) on Friday [11 November] proposed curbs on the export of medium-to-high-tech machines and components which might be used in producing weapons of mass destruction, to countries where armed conflicts are held likely to occur frequently.

The ministry made the proposal to a unit of the Industrial Structure Council, an advisory body to the minister.

The proposal calls for a total of 100 to 200 items to be covered by the proposed curbs, including not-so-high-tech machine tools, semiconductor devices, personal computers and special metals, as well as agricultural chemicals.

MITI officials said that a total of 20 nations, including North Korea, Iran, Iraq and Libya, are considered candidates for the list of affected countries.

The ministry hopes to lay down definite guidelines on export control by the end of this year so that the export trade control order can be revised along the lines of the proposal early next year and the new export control plan enforced from next summer after a publicity period of half a year.

Under the proposed system, if individual enterprises, planning to export the restricted goods to listed countries, judge that they may be used as inputs for weapons of mass destruction, they will be obligated to seek permission from the ministry, according to officials.

MITI is taking the move in line with the establishment of a new international organization to regulate the export of strategic and borderline goods to dispute-ridden countries and those thought prone to future disputes, the officials said.

Strategic Exports System Planned

OW1511032994 Tokyo ASAHI SHIMBUN in Japanese 11 Nov 94 Morning Edition p 11

[FBIS Translated Text] The panel on the Management of Trade and Security under the Industrial Structure Council of the Ministry of International Trade and Industry [MITI] will hold a meeting on 11 November to discuss ways to introduce the KNOW [as published] system, which is used as a method to control the export of machinery and materials used to manufacture nuclear weapons, weapons of mass destruction, and parts for them. The United States and European nations have already adopted KNOW control. A report compiled by the panel in March 1993 announced that Japan will adopt the KNOW system. However, the work of choosing nations to be put under the new export control system and setting standards for controlling exports has taken longer than planned, causing a delay in putting the KNOW control system into effect. MITI, which asked the panel to set the standards, plans to put the KNOW system into effect next year after amending the Export and Trade Management Ordinance.

The KNOW system has been established with the aim of controlling the export of items which are not covered by the "LIST [expansion unknown] control" that lists individual items subject to export control under the nuclear Non-Proliferation Treaty (NPT) and other international conventions. Industrial products originally manufactured for civilian use have been increasingly diverted to military use, and this diversion has given rise to the KNOW system. The United States and Britain, that have already put the KNOW controls into effect, are now putting all items and all nations importing those items under KNOW control. However, the problem is that exporters in the two countries must check whether or not nations importing their products are engaged in manufacturing weapons of mass destruction.

If all export items and all nations importing those items are put under KNOW control, this would sharply increase the number of applications for export licenses, and the workload of government offices in charge of export affairs. Therefore, the report compiled by the panel in March 1993 called for a necessary minimum control and claimed that "KNOW control be confined to nations and items that require export licenses."

Some government officials take the view that it is not diplomatically desirable for Japan to name specific nations subject to KNOW control because those nations might be suspected of manufacturing weapons of mass destruction. It would be difficult to obtain information on how other nations use imports from Japan because such information could be military information. The government should study ways of how to obtain the information.

Arms Export Controls Analyzed

OW1511070994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Nov 94 Morning Edition p 2

[Editorial: "The Need To Create a Worldwide Framework for Arms Export Controls"]

[FBIS Translated Text] Following the collapse of the East-West confrontation structure, regional conflict caused by religious or racial confrontation is rising in waves throughout the world. Meanwhile, countries eager to possess mass destruction weapons, such as nuclear arms, chemical weapons, and missiles, have emerged.

To apply the brakes to such a trend, it is necessary to control the export of weapons, machinery, and technology used for producing arms. For that purpose, efforts are being made by the international community, with industrialized nations taking the initiative, to jointly control arms exports by coming up with new regulations to prevent proliferation of mass destruction weapons; and to have third countries refrain from accumulating such weapons.

In Japan, which has a pacifist constitution, arms exports are basically prohibited by the three-point principle regarding arms exports. However, as Japan is a highly-industrialized nation, there is the possibility that exported products or technology will be used for military purposes. We believe Japan should take part in the worldwide control of arms exports, even though it may have a certain impact on business transactions.

The industrialized countries have already concluded a gentlemen's agreement on export control of nuclear arms, chemical and biological weapons, and missiles, thus banning the export of machinery and materials directly linked to the production of such weapons.

Export control measures recently adopted by such nations as the United States, the UK, and Germany to prevent proliferation of mass destruction weapons are called "catch all," because the measures are applied to the export of all products.

Under these measures, even if goods to be exported are general purpose items, exporters are required to obtain export approval from their respective governments if it is clear the exported products will be used for the production of mass destruction weapons or if they have reason to believe they will be used for that purpose.

The Japanese Government plans to introduce similar measures next summer. However, applying such regulations to all products and entrusting the export of products to exporters' subjective judgment makes the burden on them too heavy. To reduce such burdens, the United States has reportedly eased regulations depending on the products to be exported. In Japan, it is hoped the regulations will be limited to the export of products that exporters think will be used for the production of weapons, and that the number of countries and products subject to the regulations will be limited as much as possible.

The Coordinating Committee for Multilateral Export Controls [Cocom] was abolished last March. But a new framework for export controls to be applied to strife-ridden countries in the Third World has yet to be established. In this sense, as Japan maintains, it is necessary to adopt some measures to control the export of parts and machinery used for producing weapons as well as the export of weapons themselves.

Under Cocom, adopted by the industrialized nations of the West, the export of weapons, machinery, parts and technology that can be used for producing weapons was controlled. However, weapons have been exported to third countries, which are not subject to Cocom.

In spite of the collapse of the Cold-War structure, it is still difficult to change the industrialized nations' habit of earning foreign currency by exporting arms. What the Third World wants from the industrialized nations is economic assistance; the importation of arms will lead to the devastation of their lands.

Although some nations still consider arms exports as a diplomatic means, Japan should persuade them to make efforts to establish a post-Cocom framework for the control of arms exports.

JDA To Expand Security Ties with PRC, Others

OW1311170894 Tokyo ASAHI SHIMBUN in Japanese 9 Nov 94 Morning Edition p 1

[FBIS Translated Text] The Defense Agency [DA] has started to move toward active dialogue with China, Russia, the ROK and other neighboring countries on security issues. It will resume top-level defense exchanges with China, which have been suspended since the Tiananmen incident in 1989, and is also considering initiating the first ever exchange of visits of naval fleets with the ROK, and a visit by the DA director general to Russia. The Joint Staff Council has also started making plans for security exchange programs for military officers. This is in response to changes in the U.S. strategy in Asia, including the improvement of relations with China. Japan, on its part, would also like to adopt a multifaceted security policy to supplement the existing Japan-U.S. security arrangements premised on the Cold War.

In terms of defense exchanges with China, the defense dialogue between military officers resumed last March. In addition, an invitation for PRC Minister of National Defense Chi Haotian to visit Japan is being extended through diplomatic channels. If this materializes, it will bring about the first meeting of the defense chiefs of Japan and China since the visit of [then] DA Director General Yuko Kurihara to China in 1987.

Japan agreed to conduct exchanges of defense policymakers and training fleets with the ROK when South Korean Minister of National Defense Yi Pyong-tae came to Japan last April. Based on this agreement, working level policymakers of the DA, led by Defense Councilor Katsuei Hirasawa, visited South Korea on 8 November. In December, ROK training fleets will call at Harumi Port in Tokyo for the first time. A visit by the Self-Defense Forces training fleets is also being considered.

With regard to exchanges with Russia, Naoaki Murata, director general of the Defense Policy Bureau, will be the first director general-class official to visit Russia in mid-November. Arrangements are also being made with Russia to hold the first meeting of defense chiefs of the two countries between DA Director General Tokuichiro Tamazawa and Defense Minister Pavel Grachev next year.

Behind such recent moves by the DA to conduct security dialogues with neighboring countries is the drastic change in U.S. strategy in Asia. In particular, active military exchanges with China have been notable recently.

With regard to U.S.-Russia relations, the two countries agreed to engage in joint training for UN peacekeeping operations (PKO) and to set up a summit-level hotline at the meeting of defense ministers in September 1993. On the other hand, contacts with Chinese military authorities had remained suspended since the 1989 Tiananmen incident.

However, in 1994 the United States has effected a major change in its China policy. Last May, human rights issues were virtually shelved to approve the extension of "most-favored-nation treatment" for China. Defense Secretary William Perry also visited China in October. The two countries agreed to exchange military information, such as that concerning the defense budget. It is said that joint U.S.-PRC military exercises may be possible in the future.

Japan, which regarded the Japan-U.S. security setup as the cornerstone of its security policy during the Cold War era, used to believe strongly that "it would be difficult to get ahead of the United States to conduct independent security dialogues." (according to a senior Foreign Ministry official) However, since the new U.S. strategy for Asia has become evident, Japan believes that "the conditions are now ripe to conduct security dialogues." (according to a senior DA official)

The change in U.S. strategy is not expected to be reflected directly in Japanese security policy. Japan is yet to come up with a new comprehensive security policy for the post-Cold War period. For the time being, the emphasis will be on eliminating unnecessary fears and suspicions with Japan's neighbors.

Isuzu To Produce Diesel Engines in PRC

OW1511023394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Nov 94 Morning Edition p 11

[FBIS Translated Text] Isuzu Motors Ltd., has announced plans for the local production of engines at Qingling Automotive Corporation [QAC] (in Chongqing City), its joint venture with a Chinese corporation to produce trucks. The company has established a 1.5 billion yuan (1 yuan is about 12 yen) engine assembly line in the vicinity of its vehicle assembly plant. The new assembly line has an annual production capacity of 70,000 units, with plans to produce approximately 30,000 units in the first year. Isuzu is the first Japanese automaker to go into mass production of diesel engines in China. The new assembly line will be the largest diesel engine plant in China.

Isuzu has begun to produce 2,800 cc engines for small trucks (with the Japanese name "Elf") with a 2-3 ton loadage, at its joint venture in China. Molded and forged parts such as engine blocks will be produced by the Chongqing Automotive Industry Corporation, which is Isuzu's partner in the joint venture. The venture has so far procured all its engines from Isuzu's Fujisawa Plant in Japan. However, by starting production in China, the local procurement rate of parts will be increased to more than 60 percent from the current 50 percent.

The QAC plans to increase annual production of small trucks to 30,000 units in 1994, from the previous year's 20,000 units. It also plans to increase annual production to approximately 70,000 units in several years, with the engine plant expected to start full-fledge operations. As the corporation procured 1 billion yuan (approximately 12 billion yen) in August by launching its stocks on the Hong Kong market, it has allocated the funds to building the engine plant.

Isuzu is now assembling 30,000 small trucks annually, at Jiangling-Isuzu Automotive Corporation [JIAC] (in Nanchang City), its joint venture with Jiangxi Automotive Manufacturing Company and ITOCHU Corporation. It is now studying the possibility of local production of engines at this joint venture as well.

Truckmakers are moving ahead of passenger car makers in doing business in the Chinese market. Isuzu started local production of trucks at the QAC in 1985. In September, Nissan Diesel Motor Co. Ltd., completed a feasibility study (FS) on a joint venture with the major Chinese carmaker, Dongfeng Automotive Corporation, to produce large trucks with a more than 10 ton loadage. It is scheduled to initiate concrete steps such as setting up a joint venture and building a plant as soon as it obtains permission from the Chinese Government.

In August, 48 Isuzu-affiliated companies and parts makers sent an inspection team to China to study the possibility of local production. They are mulling the idea of advancing together into China, and of constructing an industrial park in the neighborhood of one of the two joint ventures—QAC and JIAC. Isuzu's local production in China is expected to be further increased.

New PRC Trade Rules Discouraging Investment

OW1411134394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Nov 94 Morning Edition p 1

[FBIS Translated Text] Mitsubishi Heavy Industries has decided to give up its plan to produce large refrigerators in China through a joint venture because the Chinese Government has notified suspension of reimbursement for value added taxes which it had promised early this year. The Japan Association for the Promotion of International Trade (with Yoshio Sakurauchi as chairman), which is an economic organization dealing with Japanese business with China, has asked that improvements be made because a new bidding system that has been introduced regarding exports from China has considerably affected, among other things, exports of cement by Japanese-Chinese joint venture firms. In both cases, the Japanese reaction is the result of an abrupt "change in procedures" by the Chinese Government. Should there be any delay in Chinese response to the Japanese moves, there could arise a possibility that Japanese firms may become cautious about investment in China.

Mitsubishi Heavy Industries has abandoned its plan for local production of refrigerators in China to be used for air-conditioning of buildings and for regional air-conditioning. The company had been considering the possibility of local production through a joint venture but since the change in the tax system has made it less profitable to move the company's production base to China, Mitsubishi has decided to stick to procuring parts to avoid investment risks.

The company had planned to produce packaged air conditioners in Qingdao beginning late this year and room air conditioners in Guangdong Province beginning early next year. It also had basically decided on a plan for local production of large refrigerators.

However, the Chinese Government decided last August to change its preferential treatment for foreign-affiliated firms and notified them of suspension of reimbursement for value added taxes (17-percent add-on value added taxes) levied on locally procured portion of raw materials used in products to be exported from China.

Mitsubishi Heavy Industries has indicated concern that on top of a decrease in profitability of local production due to stricter taxation on locally procured parts, uncertainty has emerged regarding China as target of investment. Although the company plans to go ahead with local production of packaged air conditioners as scheduled, it plans to hold back on increasing the number of different models it will be producing.

Tokyo To Enhance Economic Ties With East Europe

OW1511014494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Nov 94 Evening Edition p 1

[FBIS Translated Text] The government has decided to fully expand economic relations with East European nations. It will start negotiations not only to reduce higher tariffs imposed on Japanese products compared with those of the European Union (EU), but also to speed up conclusion of the investment protection accords Japan has promoted with each nation.

Japan will initially start working-level negotiations with Romania to discuss tariffs on Japanese-made sewing machines, machine tools, VCRs, and automobiles, to cut them down to the same level as those imposed on EU-made products. Subsequently, it intends to start negotiations with other East European nations.

Since the collapse of the former USSR, East European nations such as Poland and Hungary, have promoted democratization and the market economy on a full-scale. At the same time, they have called for an increase in direct Japanese investment and expanded trade. However, investment moves among Japanese companies have been rather sluggish because of unstable political factors, such as the Bosnia- Hercegovina dispute, and the difficulties in pursuing a market economy in this region. Furthermore, with the intention of joining the EU in the future, these nations cut tariffs on EU-made products as an exception. This has created an obstacle for Japan and other countries to expand business with Eastern Europe.

For example, Romania does not impose tariffs on sewing machines and machine tools from the EU, but it put a 20 percent tariff on those made in Japan. The situation is the same with the VCR and automobile markets, in which EU products enjoy a majority share. The East European nations have so far maintained: "We are virtually members of the EU. Thus, these tariff differences do not violate the most-favored-nations clause regarding Japan."

In 1993, total Japanese exports to Romania reached $28 million while imports from this nation reached $70 million. Japan mainly provides Romania with cars and various kinds of machines, including electric appliances, but exports have declined for seven consecutive years. Actually, Japan's exports to each East European nation are decreasing. By the end of April 1994, 41 joint venture business projects with Romania had been put into effect and Japan's total investment in this nation amounted to only $1.2 million.

Last August, the Liberal Democratic Party [LDP] addressed these problems, when sending a "Japan-Romania friendship mission" comprised of LDP dietmen and led by Hyosuke Kujiraoka, vice-speaker of the House of Representatives, to the country. In return, the Romanian Government promised: "We will immediately hold working-level negotiations to cut tariffs." The Ministry of Foreign Affairs then called on Romania to investigate imported items from the EU and Japan whose tariff rates are dramatically different.

As soon as Romania does its part, the Japanese Government wants to start working-level negotiations to quickly bring this matter to a conclusion. Regarding the investment protection accord to promote Japanese firms' investment in Eastern Europe, the government intends to speed up negotiations on preferential tax treatment, which have been a major issue in Japan's business relations with this region.

Yamaichi, Uzbekistan Arrange Insurance Venture

OW1411082694 Tokyo KYODO in English 0657 GMT 14 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO—Japan's Yamaichi Securities Co. has arranged a business tie-up between Tokio Marine and Fire Insurance Co. and Uzbek Investment, the national insurance company of Uzbekistan in central Asia, Yamaichi officials said Monday [14 November].

They said Yamaichi, a major brokerage, will also assign officials to the Uzbek capital of Tashkent to offer advice to the former Soviet republic on a wide range of financial matters. At the same time, Yamaichi will act as Tokio's insurance agent in Uzbekistan.

Under the insurance tie-up, Tokio and the Uzbek company will jointly cover losses Japanese companies may suffer in their Uzbek operations, the officials said. Yamaichi and trading Giant Mitsubishi Corp. previously took part in a project of the European Bank for Reconstruction and Development (EBRD) to aid Uzbek banks.

Yusuke Matsuzaki, former president of the Yamaichi Bank (U.K.) PLC, the brokerage's British banking unit, was appointed early this year as adviser to the Uzbek national bank for foreign economic activities. Matsuzaki noted Uzbekistan is currently producing 80 tons of gold a year, a quarter of the total production by the former Soviet union, and is also rich in oil resources.

Another major Japanese brokerage, Daiwa Securities Co., has agreed to offer financial advisory service to the former Soviet republic of Turkmenistan.

MOF Aims To Curb ODA Growth in Fiscal 1995

OW1411022794 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Nov 94 Morning Edition p 5

[FBIS Translated Excerpt] The Ad-Hoc Panel on Streamlining Cutbacks in Government Expenditures (headed by Sanwa Bank Chairman Kenji Kawakatsu) under the Financial System Council held a meeting on 9 November to discuss how the government should handle Official Development Assistance (ODA) in the course of compiling the budget for fiscal year 1995. At the meeting, the Ministry of Finance [MOF] made clear it will curb ODA growth for fiscal 1995 to a level of far below 4.8 percent, the fiscal 1994 growth rate, claiming: "It will be difficult for us to keep increasing ODA in light of its huge amount and the grim fiscal situation." The Finance Ministry is believed to be studying the possibility of curbing ODA growth for fiscal 1995 to less than 4 percent. The Foreign Ministry will certainly react against this move and budgetary negotiations between the two ministries in late December are likely to encounter rough sailing.

As reasons for the need to keep ODA growth in check, the Finance Ministry explained: 1) The absolute amount of ODA has sharply increased and it is no longer possible to keep increasing ODA so largely; 2) with no prospects seen for an increase in tax revenue, the ODA is becoming a heavy burden on government finance; and 3) even if ODA growth is curbed, it will be possible to secure actual ODA growth in dollar denomination, thanks to the appreciated yen. At the meeting, some panel members are said to have asserted: "The government should place more importance on ODA quality than on its quantity." [passage omitted on the education budget]

Tokyo To Provide Aid, Loans to Various Nations

Syria: 703 Million Yen

OW1411092394 Tokyo KYODO in English 0836 GMT 14 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO—Japan will give Syria up to 703 million yen to cooperate in its project to improve fire fighting services in the Syrian capital of Damascus, the Foreign Ministry said Monday [14 November]. Japanese and Syrian Government officials exchanged documents on the Japanese aid in Damascus earlier in the day, the ministry said. The Japanese aid will be used to purchase 17 fire engines, it said. The number of fires in Syria and its suburbs has jumped by nearly 50 percent over the past five years due to rapid urbanization in the area. But an insufficient budget has made it difficult to purchase new fire engines, and those currently being used are about 20 to 25 years old, the ministry said.

Haiti: $1.09 Million

OW1111112294 Tokyo KYODO in English 1054 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—Japan will extend 1.09 million dollars to international organizations to help provide food and medical care to Haitian people, the Foreign Ministry said Friday [11 November]. Tokyo will provide 1.02 million dollars to the World Food Program to help shoulder part of the costs for food for some 100,000 Haitian refugees in the northern and southern parts of the country, the ministry said.

Another 70,000 dollars will be extended to the International Committee of the Red Cross to help the organization provide medical services to people in Haiti, it said. Haitian people face serious poverty and a lack of food because of the unstable political situation created under the country's military rule after the 1991 coup d'etat which ended this September with the help of a U.S.-led peacekeeping mission.

Egypt: 40 Million Yen

OW1111034794 Tokyo KYODO in English 0331 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—Japan will give 40 million yen in emergency aid to help Egypt in its relief measures following the flood that struck southern Egypt earlier this month, government officials said Friday [11 November].

In response to the Egyptian Government's wishes, half of the total amount will be used for relief funds and for building temporary water supply facilities, the officials said.

A thunderstorm caused a petrol tank to explode on Nov. 2 in the southern Egyptian province of Asyut and left dozens of people dead, Egyptian security sources said. They said witnesses saw at least 10 bodies floating in flood water near the village of Dronka, about 320 kilometers south of Cairo. Dozens more were feared dead and hundreds fled their homes.

Pakistan: 34.8 Billion Yen

OW1311061694 Tokyo KYODO in English 0604 GMT 13 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO—Japan will furnish 34,818 million yen in low-interest yen loans to Pakistan, the Japanese Government said Sunday [13 November]. Notes to this effect were exchanged in Islamabad on Sunday. The loans are repayable over 30 years, including a 10-year grace period, and carry an annual interest rate of 2.6 percent. The yen loans will be used to help finance expansion of a thermal power station and a project to improve waterworks in Karachi, government officials said. The funds will also be earmarked for construction of a tunnel and modernization of fertilizer factories in Pakistan.

Namibia: 300 Million Yen

OW1411094794 Tokyo KYODO in English 0923 GMT 14 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO—Japan will extend to Namibia up to 300 million yen in aid to help the African country increase food production, the Foreign Ministry said Monday [14 November]. Japanese and Namibian Government officials exchanged documents on the aid in the Namibian capital of Windhoek earlier in the day, the ministry said. The aid will be used to purchase fertilizers, agricultural chemicals and equipment, it said. Namibia, which gained independence from South Africa in 1990, relies on imports for 70 percent of its grain demand.

Ivory Coast: 1.88 Billion Yen

OW1411120794 Tokyo KYODO in English 1115 GMT 14 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO—Japan will extend a total of 1.88 billion yen to the Ivory Coast [Cote d'Ivoire] to help finance its projects to rehabilitate a hospital and repair a fishing port, the Foreign Ministry said Monday [14 November]. Japanese Ambassador to the Ivory Coast Motohiko Nishimura and Leon Konan Koffi, the African nation's minister for defense and foreign affairs, exchanged documents on the Japanese aid in Abidjan earlier in the day, the ministry said. Of the aid, 1.12 billion yen will be for a project to rehabilitate and reinforce Cocody University Hospital in Abidjan, which plays a central role in providing medical services to the people there and in medical education and research, it said. The aid will be used to construct an out-patient ward in the hospital and to beef up medical equipment. Another 752 million yen will be extended to renovate the fishing port of San Pedro in the southwestern part of the country.

Minister Okawara Interviewed on Rice Policy

OW1411083594

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0052 GMT on 6 November 94 carries a 23-minute live interview with Agriculture, Forestry and Fisheries Minister Taichiro Okawara by NHK commentator Takashi Yamamoto and commentator Naoki Tanaka at the NHK studio in Tokyo.

Yamamoto begins the interview by discussing this year's bumper rice crop and raising the possibility this will lead to a rice surplus in Japan. Okawara rules this out.

He says: "The government has set the appropriate level of future rice stockpile at about 1.5 million tons and there is a food bill which calls for a medium-term rice stockpile."

Yamamoto says one important aspect of the food bill is that it calls for a sweeping relaxation of regulations on rice distribution in Japan. He asks Okawara to comment on a report compiled by the Agriculture Administration Council that calls for the introduction of a market mechanism into rice distribution.

Okawara says there must be a shift in agricultural administration from conventional direct intervention in the rice distribution system to indirect intervention. He says the report also calls for this shift.

Tanaka cites various adverse effects of government control of rice distribution.

Okawara admits the conventional food control system has failed to function properly in distributing rice, adding that this failure is the main reason why the government has now submitted its food bill to the Diet for approval.

Yamamoto asks if agricultural cooperatives will intervene in rice distribution in the future.

Okawara says: "Agricultural cooperatives will coordinate rice production while respecting the opinions of rice growers."

Tanaka raises questions about the 6 trillion yen the government plans to pour into rural communities by the year 2000 in an effort to keep Japanese farmers productive enough to compete against foreign farm products following the Uruguay Round accord.

Okawara admits people still do not fully understand government plans to spend 6 trillion yen.

He defends the plan, however, saying: "This huge amount of money will be spent on building a new agricultural structure for Japanese farmers to help them prepare for the 21st century and to increase Japan's self-sufficiency in food."

Tanaka points out that under the government's plan to spend 6 trillion yen, the money will be used in rural communities where only 4 or 5 percent of the total population live and where more and more farmlands are left idle year after year.

Okawara says it is important to raise the level of Japan's self-sufficiency in food and to be able to supply Japanese consumers with farm products at stable and affordable prices. Okawara adds that Japanese agriculture has lost its competitiveness and needs help to regain it.

Asked by Yamamoto about holding down the price of rice, Okawara says the food bill, if enacted, will result in a lower price for rice.

Yamamoto thanks Okawara and concludes the interview at 0015.

MITI Aims at Technological Competitiveness

'Drastic' Policy Reviews

OW1411115694 Tokyo MAINICHI SHIMBUN in Japanese 9 Nov 94 Morning Edition p 1

[FBIS Translated Text] On 8 November, the Ministry of International Trade and Industry [MITI] said it will drastically review the nation's industry and technology policies. The recession following the bubble economy boom pushed down Japanese expenditure on research and development [R&D]. As a result, Japan is rapidly losing competitive power against U.S. and European companies in the R&D and software industries. MITI's policy review will involve revision of such social systems as the lifetime employment system and college admission procedures, and MITI intends to call for cooperation from the Education Ministry, the Science and Technology Agency, and other government bodies concerned.

The policy review will be started at the joint conference of two MITI advisory boards—the Industrial Structure Council and the Industrial Technology Council—on 10 November. The joint conference will be co-chaired by the chairmen of the councils. Academic Information Center Director Hiroshi Inose is expected to be there and the conference is due to prepare an advisory report in May 1995. Senior Education Ministry and the Science and Technology Agency officials will join the conference as observers. This will be the first time MITI's advisory body has accepted officials from other agencies.

To map out industry and technology policies for the 21st Century, the joint conference will study problems in national, academic, and private research institutes focusing on: 1) The training of engineers; 2) R&D funding; 3) R&D infrastructure; and 4) the country's intellectual resources.

MITI predicts a great shortage of engineers caused by the preference of college students for social sciences and employment with stable companies. In particular, MITI will study problems in education and employment systems, with the aim of providing more flexible employment of engineers in both the public and private sectors.

At the present, the government's share of the nation's R&D expenditure is only about 20 percent. MITI is seeking greater government R&D expenditure and more financial support for venture companies. It also plans to study how to better protect intellectual property rights, with the aim of encouraging new venture businesses.

Plans Information Network

OW1511014394 Tokyo MAINICHI SHIMBUN in Japanese 11 Nov 94 Morning Edition p 8

[FBIS Translated Text] On 10 November, the Ministry of International Trade and Industry [MITI] made public an original draft of a "sophisticated industrial information program" aimed at revitalizing Japan's sagging industrial competitiveness.

The program proposes that both the public and private sectors work together to build such industrial information networks as CALS [expansion unknown], which makes it possible to develop, design, manufacture, procure, maintain and operate through the use of computer networks; and the EC [expansion unknown] system, which will make it possible to run shops or have open bidding for many undesignated customers through electronic devices. MITI explained that these industrial information networks will accelerate streamlining the divisions of companies, get rid of keiretsu [the interlocking business grouping] that ignores costs, and lead to major changes in company organization and culture.

MITI plans to present the original draft at an 11 November meeting of the Sub-Committee on Industrial Information (an advisory body to the minister of international trade and industry) under the Industrial Structure Council. MITI will compile a final draft in March next year after listening to opinions of the general public. An industrial information network is regarded as the most important system for shoring up industrial competitiveness, but Japan lags behind other industrial nations in this area.

Program Formally Announced

OW1511085794 Tokyo MAINICHI SHIMBUN in Japanese 15 Nov 94 Morning Edition p 9

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] on 14 November formally announced its "program to introduce a high-level industrial information system," which it has submitted to the Industry Structure Council's industrial information subcommittee (an advisory panel to the MITI Minister). According to the proposal, the government and the private sector should jointly promote the establishment of an industrial information network—a computer network which will contribute to such fields as production, development, procurement of materials, operations, conservation, and circulation—to revitalize Japanese industry's competitive power, which seems to have been weakened.

MITI stresses that the network will have a remarkable influence on industry if the program is implemented, stating that "the culture and organization of enterprises as well as the future orientation of the industrial community will be changed."

Starting on 21 November, MITI plans to circulate the original plan and basic ideas on Internet, the international computer network, to solicit public opinion. By the end of the year, an English-language version will be published and circulated on Internet to solicit opinions from abroad as well, and these views will be reflected in the report to be drawn up in March 1995.

This will be the first time a governmental sub-committee has sought domestic and international public opinion through a computer network. According to MITI, the program "aims to make advance preparations for future administration in the multimedia era."

Matsushita Develops Internet Access System

OW1411112594 Tokyo KYODO in English 1059 GMT 14 Nov 94

[FBIS Transcribed Text] Osaka, Nov. 14 KYODO—Matsushita Electric Industrial Co. said Monday [14

November] it has developed a new wireless system accessible to the world's largest computer network, Internet. The Osaka-based major consumer electronics firm said the system combines a new type server personal computer and a personal handy phone system (PHS).

A notebook-type personal computer with a built-in card-type PHS system will be used to access Internet via a parent computer device located in an area with a 50-meter radius, the company said. The new system can be operated through in-house local area networks set up in offices, it said. The company said the server personal computer system will cost about 1 million yen. The new system, developed jointly with Matsushita Communication Industrial Co., will be marketed in about one year, the company said.

Fujitsu, Sharp Reach Accord on Information System

OW1411082794 Tokyo KYODO in English 0756 GMT 14 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO—Fujitsu Ltd. and Sharp Corp. announced Monday [14 November] that they have agreed to cooperate in a broad range of new information businesses by making best use of each other's strong fields.

"This tie-up is intended to offer appealing, user-friendly products and services in the field of multimedia, which is expected to develop rapidly in the 21st century," said Mikio Otsuki, vice president of Fujitsu.

Sharp Vice President Atsushi Asada said, "this cooperation is expected to lead to an improvement of products due to joint development of products, as well as multiplier effects of combination of both firms' respective strong fields."

Fujitsu and Sharp aim to cultivate the needs of new users and develop new markets by combining the two companies' complimentary strengths—Sharp's liquid crystal display technology (LCD) and systems and software for new personal information tools and Fujitsu's information processing and communications systems technologies.

In the area of information processing, the companies are planning to jointly develop new products and services in the three fields—new network information services, groupware and personal computers linking software and optical communications.

From this month, network information services will be made available on Sharp's Zaurus personal information terminal, based on cooperation among Sharp, Fujitsu and Nifty-Serve. A new personal computer service forum will also be available on Nifty to provide information to Zaurus users.

The companies will also develop new software that will enable Zaurus to be linked with Fujitsu's team office groupware for more efficient group work and exchange of information. It will go on sales from next spring.

Moreover, the companies plan to develop and introduce products next spring that will speed up and improve connections between Sharp's New Zaurus information tool and Fujitsu's FM V, FM-Towns and FM R series personal computers and Oasys word processors.

"In addition to the cooperation in the field of existing products and services, the companies are hoping to develop and market new products and services in the field of multimedia, based on two different types of corporate cultures," Fujitsu's Otsuki said.

Otsuki said that Fujitsu and Sharp have no plans to exchange personnel for this cooperation. He also said they are not planning to establish a new company for the tie-up.

The companies have held negotiations since the beginning of this year on the tie-up, he said. They exchanged memorandum last Friday, Otsuki added.

Carriers Criticize NTT Over Market Monopoly

OW1211080594 Tokyo KYODO in English 0708 GMT 12 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 12 KYODO—Japan's long-distance common carriers are stepping up their criticism of Nippon Telegraph and Telephone Corp. (NTT) over its monopoly of the market, industry sources said Saturday [12 November]. In the next fiscal year, the 10th anniversary of NTT's privatization, full-scale debate is scheduled to start over division of the telecommunications giant. The criticism by the long-distance carriers is expected to support the move for NTT's division. Also, NTT officials are worried that the Ministry of Posts and Telecommunications is for the division.

When Japan Telecom Co. submitted to the posts minister a request for approval for its new telecommunications service frame relay's connection with NTT circuits in mid-October, an NTT official said that there may be a big figure behind Nippon Telecom's move.

The remark reflects NTT's doubt that the ministry itself may be urging Japan Telecom to connect its services with NTT's circuits. This kind of ministry move is expected to turn to an advantage for concerns supporting NTT's breakup, according to the sources.

The Telecommunications Council, an advisory body to the posts minister, mapped out a report in March 1990 that NTT should be divided into a long-distance telephone firm and local telephone companies. But the decision was put off due to opposition by NTT and the Finance Ministry.

As for Japan Telecom's request, NTT made a compromise by permitting connection of its circuits with Japan Telecom's new services. Moreover, NTT is being urged by Japan Telecom, DDI Corp. and Teleway Japan Corp. to permit such circuit connections for another service. At present, local telephone networks are almost monopolized by NTT. If the long-distance common carriers hope to start similar services as those of NTT, they need to connect their circuits with NTT's local networks, the sources said.

The Telecommunications Council says in the report that the common carriers will be able to compete with NTT on an equal footing if NTT is divided into long-distance and local telephone firms.

An NTT official refutes the view, saying that the circuit connection issue can be solved through negotiations. He also says that if long-distance and local telephone networks are cut, NTT will not be able to offer flexible services.

The common carriers basically agree with the council's view. If the telecommunications market structure remains unchanged, the officials say, NTT will continue to have an advantage over them in terms of variety of services, preventing fair competition.

The frame relay service was introduced in the United States three years ago, an official at the post ministry's telecommunications bureau says.

He says that if the beginning of the new service is delayed due to discord between NTT and Japan Telecom over the circuit connection, users will fail to enjoy a variety of services, having an adverse effect on the Japanese economy's international competitiveness.

Whether the current telecommunications market structure should be changed in order to secure a fair competition will be the heart of the discussion over the breakup of NTT.

Kiku-6 Satellite's Latest Malfunctions Noted

OW1511085894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Nov 94 Morning Edition p 13

[FBIS Translated Text] The National Space Development Agency [NASDA] said on 11 November that now two devices mounted on the experimental satellite Kiku-6 are out of order. The broken devices are a "heavy ion particle environment detector" which measures the concentration of ion particles in space, and the "electrothermal hydrazine thruster" which controls the altitude of the satellite. NASDA believes the malfunctions have been caused by strong radiation on the elliptic orbit the satellite is following, but says the problems are unlikely to affect other equipment. Kiku-6 was unable to reach its geostationary orbit due to problems with launch procedures.

Coalition Abandons Plans To Visit DPRK in Nov

OW1511120394 Tokyo KYODO in English 1000 GMT 15 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO—The ruling coalition has abandoned plans to dispatch a delegation to North Korea this month, hoping instead to send members of the three parties some time in December, a top official of the Liberal Democratic Party (LDP) said Tuesday [15 November].

The official said opinion is in favor of waiting to see the results of a visit by North Korean officials to Japan, beginning Nov. 24, before dispatching a delegation to the communist country.

Coalition sources said Monday four officials from the (North) Korean Committee for Cultural Relations With Foreign Countries, which handles contacts with Japan in the absence of official ties, will visit Japan to discuss resumption of normalization talks.

Senior LDP officials said Tuesday the details of a coalition visit to North Korea would be worked out with the visiting North Koreans, adding the dispatch required "serious planning."

The coalition delegation originally planned to seek a way to resume normalization talks with Pyongyang which were broken off in November 1992 when North Korean delegates walked out in protest over Japanese demands for information on a Japanese woman believed to have been kidnapped to North Korea.

Kim Yong-sun, secretary of the Workers Party of Korea (WPK), said in an interview with a Japanese television network Nov. 8 that Pyongyang will accept the coalition delegation only after Tokyo reaffirms the validity of a joint declaration issued in 1990.

That declaration, issued by the WPK, the LDP and the Social Democratic Party, urged Japan to compensate North Korea "for enormous misfortunes and miseries imposed upon the Korean people for 36 years, and the losses inflicted upon the Korean people in the ensuing 45 years after the war."

The declaration has been met with criticism and doubt from some quarters of the LDP.

Another obstacle to the trip, the LDP suggested, was that the political situation in North Korea remains unclear, with designated heir to the North Korean leadership Kim Chong-Il not yet assuming the formal titles of leadership.

Article Views SDPJ Struggle for Leadership

OW1511005494 Tokyo EKONOMISUTO in Japanese 8 Nov 94 pp 48-49

[Article by Katsunobu Shiihashi, staff member of the Public Opinion and Elections Center of MAINICHI SHIMBUN: "SDPJ Continues Internal Struggle for Leadership at a Critical Time"]

[FBIS Translated Text] **Survival Rather Than the Just Cause**

Since the formation of the "New Democratic Alliance" in September by the group supporting SDPJ secretary general Wataru Kubo, it has distanced itself from the supporters' group of Prime Minister Tomiichi Murayama. That reflects the difference between the group accepting the legitimacy of the present status of the tripartite coalition government of the LDP, SDPJ and Sakigake [Harbinger], and the group strengthening relations with the projected new-new party [shin shinto].

At present, many politicians are targetting their political lives at survival rather than justice. They are giving first priority to being elected in the coming House of Representatives elections to be conducted under the combined election system of single-seat constituencies and proportional representation. In extreme terms, they do not mind what parties they belong to or what policies they support, as long as they are elected.

It is interesting that both the opposing groups of the SDPJ advocate the unity of "social democrats and liberals;" they are against the forming of two conservative political parties, and both aim at unifying a third force that will not be absorbed by either party.

There is no practical reality in the unification of "social democrats and liberals," and some among the "New Democratic Alliance" even term the unification of a third force "a dream of dreams." Putting it in concrete terms, "social democrat" indicates the Democratic Socialist Party [DSP]. But the DSP has long determined to go along with the projected new-new party. DSP chairman Takashi Yonezawa has made it clear he has no intention of going along with the SDPJ.

As liberals, the SDPJ had in mind the democratic force in the LDP, Sakigake, and so on—a force attempting to eliminate plutocracy and corruption. At first, the LDP and the forces aiming at forming a new-new party led by Shinseito [Japan Renewal Party] paid attention to the moves of the "New Democratic Alliance," but now their interest has cooled down little by little.

When the idea of the single-seat constituency system was introduced, "change of regime" and "system of two major political parties" were the catchphrases. But after the deliberation on redrawing electoral districts was set, and as the combined election system of single-seat constituencies and proportional representation is to be put into effect, questions are recurring as to whether the system is really good. Without waiting for the enforcement of the single-seat constituency election system, the government changed hands last year as a result of the split in the Takeshita faction in the LDP.

Meanwhile, with regard to the "two major party system," it is believed that by the mechanism of the single-seat system, the number of political parties will be reduced to two or three. And in reality, opposition parties excluding the Japan Communist Party [JCP] are planning to form a new-new party, while there are also talks of plans to form a "new LDP-SDPJ party" or working out a cooperation plan for the two parties. Thus, the idea of having two conservative parties is gaining prominence. But in Europe, where two-party systems are found in many countries, social stratification, overlapping with "class," racial, and religious confrontations, are reflected in the confrontation of political parties. Racial and religious contradictions are also found in the United States, and the Japanese practice of "ainori" [a number of parties sharing a common candidate] in many gubernatorial and mayoral elections is unthinkable. In that sense, it can be said that Japan does not have or has very little social stratification. Furthermore, bureaucrats act as a unifying factor to dilute confrontation, even if an opposing party does exist. It is said that the initiative of the bureaucrats was instrumental in the SDPJ's making a great turnaround in its basic policies. Certainly, they play the role of eliminating differences.

On top of it, the Japanese are said to be fond of "wa" [harmony] and have a strong dislike of confrontation. Besides, all political parties excluding the JCP have participated in the government, with the SDPJ acting as a connecting agent, since summer last year. What we have is power games with no vision or policies involved. There is very little difference in policies. The only difference is, perhaps, in political style.

For the development of democracy, it is desirable for a plural number of political parties to compete for political power and bring about tension in politics. I cannot help being pessimistic regarding the possibility for a third force to survive, because I can hardly see even two conservative parties taking root in the long run.

The primary reason is the fact that all groups within the SDPJ invariably want to make the trade unions their power base. It is understandable for legislators in the Diet to deepen their relationships with trade unions for the sake of stable votes. But unions themselves are unable to check the decline in the ratio of organized labor, and basically, they can only pursue their organizational interests. It is hardly possible to expect them to produce a fresh and vital ideology that can surpass the conservatives, and which can unite the strata of people grown weary of politics.

The voter turnout in national elections has gone down to the 60-percent level, and the abstention rate among young people exceeds 70 percent. A great political force can be mustered during this period of reorganization if this multitude of voters who do not take part in politics is assembled and unified. They can be organized under such terms as "citizens," or with slogans concerning "welfare," or "the aged," or through federations or networks or citizens related to such issues.

The Truth About the "New Democratic Alliance"

Up until now, the SDPJ professed to pursue "the just cause rather than political power," and indulged in repeated intraparty debates on political line and policy. But the current intraparty confrontation gives a stronger impression that the party is going after "political power rather than the just cause." The true color of the "New

Democratic Alliance" has begun to show little by little—it is aimed at forming a faction that supports Secretary General Kubo, who failed to jump on the Murayama regime bandwagon—although the initial intention might have been different. Many SDPJ Diet members who joined the Alliance did not vote for Murayama in the election for prime minister at the end of June, and many stood for the SDPJ's return to the "old coalition."

Prime Minister Murayama did not appoint anybody from this group to cabinet posts. Those picked for ministerial posts are from the group that was given chilly treatment under the Hosokawa coalition government, with the sole exception of Chief Cabinet Secretary Kozo Igarashi. The Murayama administration is the revenge for that cold treatment, and it can be said that the "New Democratic Alliance" is the counter-revenge.

Sadao Yamahana and his followers think that their winning of the election for the posts of party vice chairman and Diet Administration Committee chairman, and the switch in party line approved without amendment at the party convention in September was a vindication of their honor which had been disgraced by the "defeat" in the election for prime minister. For Yamahana, the vindication of his honor should be winning back the House of Representatives seats lost during his SDPJ chairmanship last summer when the SDPJ lost one-half of its seats in the lower house. Nevertheless, the SDPJ is still engaged in the leadership struggle at this critical time.

Seven industry-specific trade unions which enthusiastically expected that a new-new party would be formed after SDPJ members defected en masse, and that they could collaborate with the new-new party the opposition parties will form, have turned a little cool in their relations with the SDPJ. "Mr. A is the only person who defected from the SDPJ, because he had been totally ignored within the party," and "Mr. B has been saying he will leave the party but now he has no courage to do so." This reflects the fact that their enthusiasm has now considerably cooled down. It is said that the "New Democratic Alliance" has changed its character to an organization for holding back Diet members who had intended to leave the SDPJ. While the SDPJ certainly deserves this intra-party confrontation, the first priority of the SDPJ right now should be to present new points of contention in a manner comprehensible to all, and to march forward in this direction. The SDPJ ought to understand that a majority of people do not need the same old SDPJ any more.

Article Reveals Ozawa's 'Off-the-Record Comments'

942A0743A Tokyo SHUKAN ASAHI in Japanese 30 Sep 94 pp 26-29

[Article by Tatsuo Oshima, SHUKAN ASAHI reporter: "Motivations Behind Breaking a Taboo—JIJI Press Political Reporter Reveals Ozawa's 'Off-the-Record Comments'"]

[FBIS Translated Text] *An article revealing Mr. Ozawa's off-the-record comments has become the topic of conversation. An energetic political reporter in active service, who had been assigned to cover Mr. Ichiro Ozawa, wrote an article under his real name. However, revealation of off-the-record comments should be a taboo for reporters. What was behind the motivation of his "courage," breaking that taboo and endangering himself, that to expose Mr. Ozawa's secrets?*

Whether they are true or not, the revelation of the off-the-record comments must have been shocking to both the person who made the comments and the persons who were commented on. It was truly astounding off-the-record comments.

As to former Prime Minister Takeshita, Mr. Ozawa said: "He never complains about anyone. He uses people very skillfully; he is a real villain." Mr. Ozawa also said: "He has no true heart. In this respect, we can say the same thing as to the other person (Mr. Kaifu) as well."

Commenting on former Prime Minister Nakasone whose administration was called the Tanakasone [shortening of Tanaka-Nakasone] cabinet, Mr. Ozawa said: "It is best the figurehead being carried is a lightweight simpleton because the figurehead moves just as the carrier pleases."

Former Prime Minister Kaifu, a figurehead whom Mr. Ozawa also carried, was commented as follows: "He is really a fool. Uno is much better...even Kozo Watanabe makes a fool of him."

As to former Prime Minister Hata who is his reformist comrade, Mr. Ozawa said: "His capacity is narrow. Mr. Kaifu is good because he has no capacity at all. Everyone thinks he is stupid. So, everyone is satisfied."

One may wonder why he repeatedly mentioned only Mr. Kaifu. At any rate, it is astonishing that Mr. Ozawa passed scathing criticisms upon successive prime ministers whom he made prime ministers.

These controversial remarks by Ozawa were introduced in the October issue of BUNGEI SHUNJU, a monthly journal, which was put on sale on 10 September. The article was entitled, "Turning Away From Ichiro Ozawa; A Top Secret Memo by an Incumbent Political Editor."

The writer—an incumbent political editor—is Mr. Shiro Tazaki (44), assistant editor of the Political Department of JIJI PRESS. Mr. Tazaki covered the Tanaka and the Takeshita factions for many years. He associated with Mr. Ozawa for over 10 years.

One of the three political reporters once called the "Ozawa Lifeguards," he dug up the comments in the article from news coverage memos he made until he split with Mr. Ozawa two years ago. It is said that those related to the political world had run about busily to obtain the article before the journal was put on sale. The article is also unprecedented in that an incumbent reporter has introduced a politician's off-the-record remarks and that under his real name.

What a brave act this is. To make readers understand the graveness of such an act, I would like to explain complicated relations between political reporters and politicians over off-the-record remarks.

First, I would like to refer to a press conference. Of course, reporters are allowed to make reports on remarks made by a politician on such an occasion. However, a politician generally talks about his official stance from beginning to end.

Therefore, reporters would like to hear close to real, if not completely real, intentions of a politician more in details. An occasion created to meet this desire is what is called the "familiar chat." Reporters gather around a politician and hear him talk. Any reporter assigned to the politician can attend it, but it is a private occasion as a whole. The politician speaks on the premise that his remarks will be kept off the record. When reporters give an account of the occasion, it is with a tacit understanding that the speaker is described ambiguously as a "top leader" or a "leading member."

A gathering designed to hear genuinely real intentions is what is called the "backdoor familiar chat." This is an occasion on which a politician has a familiar chat with only some selected reporters whom he trusts. It is a rule not to write what is heard here in any account. It is called the "complete off" rule, meaning that remarks made should in no case be put on record.

Political reporters can fulfil their mission by closing in on politicians. They make efforts to become the members of the backdoor familiar chat. And when they become its members, they often find themselves in a dilemma because they cannot write what they would like to write.

When a reporter reaches this stage, his or her relationship with a specific politician becomes something close to a comradeship. The recent "breaking of the off-the-records rule" is a story related to this backdoor familiar chat.

Of course, a reporter who breaks the off-the-records rule is placed in a disadvantageous position not only in getting news sources, but also in future coverage activities as one who cannot keep faith. Why did Mr. Tazaki, a veteran reporter rumored to be "a candidate for the future chief political editor," violate such a fundamental rule? A voice ringing with suspicion and denunciation is being raised against him among other political reporters as well.

Mr. Masaaki Sugiura, deputy chief of the JIJI PRESS Editorial Board, inclines his head, saying: "It is an unusual act deviating from common sense of the political reporters. The person himself claims that 'I wanted to depict the real image of Mr. Ozawa,' but there are many methods by which to express one's desire. He should not have brought himself to reveal the off-the-record remarks for whatever reasons. I pinned hopes on him, but...probably, he was possessed by an evil spirit. I cannot think otherwise."

It is said that reporters need to get the approval of their superior officers when they write manuscripts for use by other than their own companies. However, Mr. Tazaki is said to have made his report after galley proofs were already made.

What is more, the planning was reportedly in progress two months ago. The person in charge of the editorial desk in BUNGEI SHUNJU explains as follows: "We heard that there was a reporter who had been close to Mr. Ozawa and was keeping very minutely written coverage notes, and so we approached him several times. The substance of the notes was about well-known relations between the two persons, and because we were going to reveal such notes to the public, the question was not particularly brought up whether he had to write under his real name or use an anonym."

What he really had in his mind appears to be a mystery to those concerned with Nagata-cho [political quarters in Tokyo] as well. Among various rumors afloat are "he might be intending to stand on his own feet and become a commentator" and "he might be asked to do so by the Liberal Democratic Party [LDP]." However, a person concerned who knows Mr. Tazaki denies these rumors, saying: "He does not have any slightest idea of resigning. If he wrote it at someone's request, he must have done so anonymously. He is not the kind of person who moves for mere gain." As for his personality, the person makes the following remark: "During his college days, he was arrested in the Sanrizuka Strife as a combatant of the All-Campus Joint Struggle Committee. After he entered JIJI, he brought a suit against the company for unfair labor practices in connection with personnel changes. He is the type of person who runs dead straight once he makes up his mind. I believe that, as he says, he wanted to depict the real image of Mr. Ozawa."

We can read his determination between the lines of his article in which he explains what was hidden behind numerous political dramas related to Mr. Ozawa and analyzes Mr. Ozawa's methods, thinking, and human nature.

As mentioned, Mr. Tazaki was a factional reporter who went so far as to be called a member of the "Ozawa Lifeguards." In the beginning of the article, he reveals his personal experiences as a factional reporter including his compilation, at the request of Mr. Ozawa, of expected questions and typical answers for use at Mr. Kaifu's press conference as a candidate for the election of the LDP president and also his elaboration of an original draft to be announced by Mr. Ozawa himself at a broadcast of his political views.

He Also Elaborated "Original Draft" for Use at Broadcast of Political Views

Of course, while doing these things, he kept making memos of the off-the-record remarks. He even says that he would not have written it if his relations with Mr. Ozawa had remained satisfactory.

The occasion which caused him to see Mr. Ozawa coolly as a political reporter's object of analysis occurred two years ago when he suddenly found himself estranged from Mr. Ozawa without any good reason. He writes about the feelings he had at that time as follows: "For a half year after the relations were cut off, I was agonized, and I felt ashamed of myself when I met reporters of other companies who were intimate with Mr. Ozawa."

Another occasion took place when he called at Mr. Kanemaru's residence after Kanemaru was arrested and released. He had made a similar visit to former Prime Minister Kakuei Tanaka after the former prime minister was released from prison, but his visit caused no ripple at all. But when he called on Mr. Kanemaru, his visit was criticized as showing "collusion of political reporters" and this criticism appears to have given him a shock.

A person concerned makes the following remarks: " Some of the reporters assigned to a specific politician often supply a secret tip to the politician to win his heart that 'that reporter is leaking information.' I do not know why Mr. Ozawa severed relations with him, but, generally speaking, it is shocking to a factional reporter to have his relations severed with the politician whom he has relied on. Information no longer reaches him, and what is left to him is only memos which he cannot publish. He will question what he has done thus far. The same thing happened to Tazaki also when he was involved in the Kanemaru case. The bottom line is that the circumstances surrounding political journalism already changed before he was aware of it. If he had belonged to a slightly older generation, he could have fully accomplished his duties as a factional reporter, and if he had belonged to a younger generation, he would have been more businesslike and cool in his news coverage activities. But He is of the generation which finds it most difficult to get on in the world."

Touching on revealing the memos on Mr. Ozawa's off-the-record remarks to the public without his consent, the writer says that "I have not yet been able to obtain clear-cut answer and that is the reporters' morality." He thus mentions the state of mind he was in when he took the bold step while he was wavering in doubt at the same time.

However, a view is reportedly arising that such a violation of the off-the-records rule is not a matter of grave concern.

The 1955 system has collapsed, and the political situation is in confusion. It is impossible to form a view of the future by approaching influential LDP leaders and asking their opinions as in the past. Moreover, unlike in the past, politicians appear and speak on television one after another. Even if reporters get the truth out of a politician through backdoor familiar talks, it is useless unless it can be published. This has become a vivid reality.

Are Politicians Permitted To Speak Off-the-Record?

At the same time, a sense of gap unseen in the past is said to be arising between reporters and politicians. Along with the change of politics, political journalism is also about to change. Amid these developments, the way the off-the-records or on-the-records rules should be applied seems to be somewhat wavering.

At a press conference, Mr. Ozawa, whose off-the-record remarks were exposed to the public, totally denied making such utterances, saying: "I never said such things. Ask the question to the writer." However, as to the outflow of off-the-record comments, he said that "it is your side that has to think about it."

BUNGEI SHUNJU's desk in charge says: "I am not sure if politicians for whom the people pay taxes are permitted to speak off the record. In addition, there can be virtually no off-the-record remarks because they leak out anyway even if indirectly. Moreover, in many cases off-the-record remarks are used to manipulate information. What is more, Mr. Tazaki revealed to the public only matters concerned with politics and the political situation. He used caution not to touch on portions related to privacy."

However, JIJI PRESS is taking the developments seriously. It is said that a formal punitive measure will be decided at an executive meeting to be held shortly.

Editorial Board Deputy Chief Sugiura says: "It is a problem that he compiled expected questions and typical answers for use at Mr. Kaifu's press conference. This is also contrary to the principle of neutrality and fairness to be kept in reporting.

However, a certain political journalist expresses the following view: "His company could keep up with others in reporting on the political situation because he won Mr. Ozawa's heart. It is unrealistic and absurd not to recognize his such contributions at all."

A veteran political reporter says that "we have a great interest in how the recent case will be dealt with." He then points out: "It seems that the mass media's business logic is taking precedence over a journalist's individual logic. He should not be punished. If he should, it should be fully clarified what the off-the-record rule between political reporters and politicians is and what the actual status of their relations is."

As to Mr. Tazaki involved in the swirl, he is now confined to his house by order of his company. He certainly must have "written from the position of an individual journalist," but he says, "I cannot make any answer" regarding his coverage activities.

Industries Oppose Pension Management Opening

952A0113A Tokyo MAINICHI SHIMBUN in Japanese 2 Nov 94 p 8

[FBIS Translated Text] There have been voices of opposition to opening the door from the trust bank and life insurance industries which have come to monopolize management of public annuities. "Investment counseling is apt to become high risk and high return. It should be studied from the viewpoint of safe pension investment" (major trust bank). "Our field of specialization has been asset management for long terms of 10 or 20 years" (major life insurer).

The working assets balance at the end of March 1994 for the Pension Welfare Service Public Corp. in which the United States is seeking participation was about 19.5 trillion yen. Management of about 55 percent of this has been entrusted to trust banks and 35 percent to life insurers, and the rest has been independently managed by the public corporation. The opposition by both industries is because it is a field where a monopoly has been guaranteed by law and earnings have been promised.

However, opposition has not risen to the point that industry groups have made a united representation to the Ministry of Finance [MOF]. That is because they can "only keep watch over negotiations since it is a U.S.-Japan government-level conference" (trust bank officer). Moreover, although participation in public annuities has been prevented up to now, they have accepted the U.S. demand about asset management of welfare pension funds that are corporate annuities and with the circumstance that participation by investment advising companies was approved in 1989, some are forecasting that "some concessions are possible."

"Eagerly Awaiting Relaxation of Regulations" (Banks and Securities Companies)

However, even if the door is opened to public pensions and participation restrictions on welfare pension funds are relaxed, the trust bank and life insurance industries do not see investment advising companies expanding all at once. That is because they have confidence that they have provided know-how in the management aspect, not just asset investment of funds.

The investment share for investment advising companies was only a little less that 3 percent of the asset balance of about 35.4 trillion yen for welfare pension funds at the end of March 1994.

On the other hand, banks and securities companies which have investment advising companies as subsidiaries have taken the position of welcoming the open door, saying, "Pensions are an expanding market for an aging society. Chances for business will expand with opening it to investment advisers" (major city bank). Insofar as banks and securities companies are right in the midst of proceeding with extension into other sectors such as trust banking based on the Financial System Reform Act that went into effect last year, they are not making any public move to avoid irritating MOF or other industries, but they are eagerly awaiting relaxation of regulations.

Nippon Trust Rescue Presages Changes in Banks

952A0114A Tokyo NIKKEI BUSINESS in Japanese 24 Oct 94 p 38

[By Tatsuro Kaketani]

[FBIS Translated Text] Mitsubishi Bank has rescued as a subsidiary Nippon Trust Bank, whose management went bankrupt embracing huge bad debts. It is the first case of a city bank embarking full-scale into the trust business. The Ministry of Finance [MOF] stresses that "it is strictly a special case," but behind the rescue drama is the rapidly hollowing out of the postwar banking system which has made a distinction with trust banks, long-term credit banks, and other "institutions specializing in long-term financing."

Mitsubishi Bank will invest about 200 billion yen to acquire stock issued by Nippon Trust and will hold 69 percent of all stock. The MOF currently does not allow such services as pensions or real estate in trust subsidiaries newly established by city banks, but, considering that "reconstruction will be impossible if Nippon Trust's services are limited," has permitted them to make the purchase and maintain the present services.

MOF Banking Bureau Director Yoshimasa Nishimura considers that "Nippon Trust is substantially insolvent and there is no other countermeasure except this," and he stressed that the situation is different from newly established trust subsidiaries. It is causing concern among existing trust banks who fear full-scale expansion by city banks into trust services.

Trust Subsidiaries Pressure To Expand Services

However, the officer of a large trust bank does not hide his anxiety that "They will probably fully utilize the Mitsubishi Bank service network to expand pension investment and trust services." The Moody's Investor Service rating company points out that "there is a possibility that Mitsubishi's consolidated earnings will drop in the short-term, but it is blessed by the opportunity to participate in all trust services."

The rescue of Nippon Trust, on the other hand, has again made the dilemma of the trust industry stand out in relief. The bad debts of the seven banks specializing in trusts were 4.2 percent of loans at the end of March this year. This is due to the excess of real estate financing in the bubble era, and in addition, the "interest exemption credit" for companies specializing in home loans also is over 2 trillion yen. "Trust banks are the weakest portion of the major banks" (Bank of Japan [BOJ] officer).

On the other hand, major city banks have worked out one after the other a course of loan expansion at the recent branch managers' conference. A chief executive of Mitsubishi Bank states that, "We have stepped on the accelerator since inspecting the brakes (review system) after the collapse of the bubble." Trust banks and long-term credit banks are having an increased sense of crisis by the threat of city banks, saying that "city banks are helping themselves freely to loan customers while we are suffering with amortization of bad debts."

There also is a possibility that there will be increased moves by city banks who are seeking to expand the scope of services offered by trust subsidiaries, taking the opportunity of the rescue of Nippon Trust. One BOJ officer considers that "dissatisfaction has come from other city banks that 'preferential treatment is being given to Mitsubishi alone,'" and anticipates that pressure for a review will increase. The securities subsidiaries of five city banks began operation in November and the target is shifting to trust subsidiaries.

The Japanese loan system adopted a divided system after the war, separating regular banks such as city banks from trust and long-term credit banks as institutions specializing in long-term financing, but the MOF is resolved to liquidate the system. An officer of the Banking Bureau points out that, "Because of past circumstances, they can't be made to compete suddenly in all aspects, but there no longer is a reason to have detailed compartmentation of banking services."

Trust Bank Bad Debts (year ending March 1994)

	Bad Debts (billion yen)	Increase/Decrease From Previous Term (percent)	Percentage of Loans
Mitsubishi	525.8	-6.4	3.67
Sumitomo	524.6	18.4	3.84
Mitsui	598.1	6.5	4.94
Yasuda	440.2	7.8	4.40
Toyo	313.0	9.1	3.70
Chuo	180.6	32.8	3.82
Nippon	130.9	78.9	7.24

Note: Total of bank accounts and trust accounts

Appearance of Products That Will Compete With Loan Trusts

In order to eliminate the fences between banks, the MOF not only has authorized mutual participation by subsidiaries, but has begun various strategic moves. Since October 1993, they began gradually to lift the ban on medium- to long-term deposits with terms of over four years, but medium- to long-term deposits with variable interest also will appear in 1995. It is a product that will compete directly with loan trusts, which are a major product of trust banks.

Pension fund management services, which trust banks and life insurers had monopolized, have also been partially opened to investment advising companies since 1990, and cities banks and others are embarking on pension management through affiliated investment advisers. The United States has demanded that the MOF expand pension management by investment advisors, but the officer of a major trust bank scowls, "City banks are behind the U.S. demand."

An MOF officer alludes to a "Japanese-style universal banking system." It is a blueprint where the partitioning of banking services is completely removed while securities services are operated by a subsidiary. An officer of a major long-term credit bank does not hide his tension, saying "we must no longer depend on the previous systematic fences."

An officer of the Banking Bureau states, "We should take the opportunity of the Nippon Trust rescue to consider financial institutions themselves." It is expected that voluntary alliances via mergers and tieups will proceed without adhering to existing fences. Banks that have the protection of fences taken away have had to pursue survival measures by their own choice.

North Korea

'Experts' Fuel Negotiations Continue in Yongbyon

SK1511103694 Pyongyang KCNA in English 1029 GMT 15 Nov 94

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—The experts' delegations of the DPRK and the United States continued their negotiations on the safe storage of spent fuel, inspecting the 5-megawatt experimental atomic power station and the spent fuel pond in Yongbyon today.

The U.S. delegation had a useful exchange of views with facility operators of the DPRK on scientific and technological problems on the spot.

'Productive' Views Exchanged

SK1511012794 Pyongyang KCNA in English 2219 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—Experts' negotiations on the safe storage of spent fuel between the DPRK delegation led by Yi Sang-kun, director of the radiochemical laboratory of the Atomic Energy Research Centre, and the U.S. delegation led by Norman A. Wulf, assistant director of the U.S. Arms Control and Disarmament Agency, began here today under the framework agreement between the DPRK and the United States published in Geneva on October 21.

At the negotiations, the sides are exchanging productive and beneficial views on scientific and technological issues concerning safe storage of spent fuel in an openhearted atmosphere.

North-U.S. Agreed Framework Supported Abroad

SK1011231794 Pyongyang KCNA in English 2142 GMT 10 Nov 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA)—The DPRK-U.S. agreed framework has been greeted with warm support in different countries.

Reporting to the plenary meeting of the National Council of the Association of Field Working People of Nicaragua supporting the struggle of the Korean people for socialist construction and national reunification which was held in Managua, Erugardo Garcia Aguilar, general secretary of the National Executive Committee of the association, said that the Korean people recently won a victory attracting the world attention at the talks with the United States under the wise leadership of Comrade Kim Chong-il, their supreme leader.

He stressed that the Korean people firmly defended their interests in the agreed framework.

At a forum on the DPRK-U.S. agreed framework in Nepal, Manik Lal Shrestha, chairman of the Nepal-Korea Friendship Association, said that the United States signed the agreed framework on the provision of light water reactors to Korea and even gave assurances for its implementation. This shows once again the wise leadership of Comrade Kim Chong-il, the supreme leader of the Korean people, he noted.

At a round-table conversation in Poland, Jan Wlonski, chairman of the Central Committee of the Poland-Korea Friendship Association, said that the adoption of the DPRK- U.S. agreed framework is a brilliant victory of the superb diplomatic strategy of His Excellency Kim Chong-il, the great leader of the Korean people, and the agreed framework is of great significance in ensuring peace and security on the Korean peninsula and in its surrounding areas.

The Arab Islamic Democratic Movement, the Islamic and Christian Unity Action Front of Jordan and the Jordanian Committee for Solidarity With the Korean People in a joint statement stressed that the DPRK-U.S. agreed framework is a fruition of the tireless efforts made by his excellency dear Kim Chong-il to defend the sovereignty, dignity and great gains of the country and confirmed again their solute support to and confidence in his policy.

The Youth Independence Revolutionary Front of Mali and the Guinean Committee for Supporting Korea's Reunification released statements hailing the DPRK-U.S. agreed framework.

Overseas Public Praise Reported

SK1111114794 Pyongyang KCNA in English 1017 GMT 11 Nov 94

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—Foreign public figures and organisations hailed and supported the DPRK-USA agreed framework.

Mustafa Jaber [spelling of name as received], chief of the Jordanian Group for the Study of the Chuche Philosophy, in a statement on November 2 said the adoption of the agreed framework clearly shows the spirit of independence, wisdom of leadership and boldness of his excellency the dear leader Kim Chong-il who values the interests of the nation. He demanded that the United States honestly implement its obligations stipulated in the agreed framework.

The Madagascar Solidarity Committee in a statement on October 29 said that the adoption of the agreed framework is a victory of the Democratic People's Republic of Korea which demonstrated its indomitable will to the progressive people fighting for justice and peace and it gives inspiration to the world people who defend independence.

The Standing Committee of the "Peace and Today" Committee of Russia in a statement on October 25 said it is an important success of the DPRK that the United States gave official assurances that it will not use nuclear weapons against the DPRK and not threaten it with nuclear weapons. It expressed the hope that the agreed framework will contribute to defusing tensions on the Korean peninsula.

Accord Lauded in Guyana, Austria

SK1211103894 Pyongyang KCNA in English 1028 GMT 12 Nov 94

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—Peter Persaud, leader of the Amerindian Action Movement of Guyana, when he met the DPRK ambassador on November 2, said the opportunities created for a solution to the nuclear issue on the Korean peninsula and normalization of the political and economic relations between the DPRK and the U.S. are a brilliant fruition of the efforts bent [word as received] by the great leader President Kim Il-song and his excellency the dear leader Kim Chong-il.

He stated that he will continue to support the efforts of the Workers' Party of Korea and the Korean people for the country's reunification.

Manzoor Nadir, leader of the United Force Party of Guyana, when he met the DPRK ambassador on October 27, said the adoption of the agreed framework between the DPRK and the U.S. is a result of the wise leadership of the dear leader Comrade Kim Chong-il. He hoped that the relations between North Korea and the United States will make a new development. Heinz Fischer, president of the National Council of Austria, in his letter to the Korean Embassy on November 3, hailed the positive results of the DPRK-U.S. talks and declared that Austria will as in the past, so in the future, support the consistent stand of the DPRK Government to defuse tensions on the Korean peninsula and solve the nuclear issue peacefully through talks.

More Foreign Statements Released

SK1211233194 Pyongyang KCNA in English 2242 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—Political parties and organisations of different countries released statements hailing the DPRK-U.S. agreed framework.

The Pakistan Socialist Party, the Pakistan Federation of Trade Unions, the Pakistan Kissan Committee, the Pakistan Organisation for Afro-Asian People's Solidarity, the Lahore Branch of the Pakistan- Korea Friendship Association and the Pakistan Committee for Supporting Korea's Reunification in a joint statement on November 2 said that his excellency dear Kim Chong-il indicated the way for a solution to the nuclear problem on the Korean peninsula with his clairvoyant wisdom, leading to the adoption of the significant DPRK- U.S. agreed framework this time.

The statement hoped that the U.S. Administration would faithfully implement the DPRK-U.S. agreed framework and contribute to peace and security on the Korean peninsula and in the world through it.

The Monima Socialist Organisation, the Militant Party for the Realization of Equality, the Worker-Peasant Struggle Party, the Labour Patriotic Movement Party, the Socialist Progressive Party, the United Party of Struggle and the Mass Right Party of Madagascar in a joint statement on November 4 said that the success made by the Workers' Party and the people of Korea this time under the outstanding leadership of His Excellency Kim Chong-il, the great leader, gives an immense inspiration to them aspiring after socialism and the adoption of the agreed framework is a result of his great leadership.

Earlier, on November 1, the Taekwon-do Association of Nicaragua in a statement urged the USA to honestly implement the commitments agreed upon and demanded that the dishonest forces refrain from putting brakes on the implementation of the agreed framework.

National Association of Koreans in America Formed

SK1411105994 Pyongyang KCNA in English 1025 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—The inaugural meeting of the National Association of Koreans in America was held in New York over October 28-29 with Koreans of different strata from 14 states of the United States in attendance.

The meeting set it as the inaugural purpose to defend and extend the rights and interests of the Korean community in America and achieve the peaceful and independent reunification of the motherland, and to develop national culture, form a correct view of value and solidarize and cooperate with other ethnic minorities.

The leadership of the association with Rev. Syngman Yi as its chairman was formed at the meeting.

The inaugural declaration of the National Association of Koreans in America which was adopted at the meeting says that the members of the Korean community of America in different areas and of different generations and different strata should make efforts for mutual understanding, cooperation and unity.

The declaration says that the association will urge the U.S. Government to change its policy toward the Korean peninsula and will join in the efforts to realize the independent and peaceful reunification, the cherished desire of the fellow countrymen.

ROK's Plans To Import 190 SAM's Criticized

SK1511064294 Pyongyang KCNA in English 0433 GMT 15 Nov 94

["Extreme Arms Buildup"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—The Kim Yong-sam group plans to import 190 Mistral surface-to-air [SAM] missiles from the Matra Corporation of France, a radio report from Seoul said.

This shows the South Korean warmaniacs' arms buildup for a war against the North has reached a high pitch and the "maximization" of the puppet Armed Forces is promoted in real earnest.

The fact clearly proves that the Kim Yong-sam group is the very one who is increasing the danger of war on the Korean peninsula and its new war provocation moves are the main factor that may produce an unpredictable event.

Such being the fact, the puppets slander the North, crying out for "removal of the danger of military dispute" and making much ado about "possibility of provocation" by the North. This is a shameless brigandish logic, reminding one of the guilty party filing the suit first.

It is ridiculous that these warmaniacs are abruptly calling for "economic cooperation" with an awkward smile of "reconciliation."

The Kim Yong-sam group of warmaniacs will never lay down the dagger hidden under their breast pocket till they die.

The warmaniacs must be punished as soon as possible.

Cooperation Urged in Repatriation of Prisoners

SK1411052094 Pyongyang KCNA in English 0506 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—The North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) published a statement on November 13 condemning the South Korean authorities who continue to persecute the unconverted long-term prisoners, ignoring their call for repatriation to the North.

The statement criticised the behaviour of the Kim Yong-sam group in refusing the repatriation of the unconverted long-term prisoners in South Korea to the Northern half of Korea as an autocratic repressive policy of the dark era not allowing freedom of ideology and political activities and a vicious challenge to the hope and wish of the entire fellow countrymen for national unity and peaceful reunification.

It says:

At a time when the countries with different ideas and systems take the road of improving relations and normalizing diplomatic relations with our Republic only the Kim Yong-sam group is taking the road of confrontation continuously driving a wedge between fellow countrymen, using the "National Security Law" of the Cold War era as a political tool, block their reconciliation and unity. This means it is rushing headlong along the road of self-destruction, going against the trend of times.

The South Korean authorities should squarely see the nation's demand and the trend of times and abrogate immediately the "National Security Law", an obstacle to national reconciliation and unity, and return the old Kim In-so, Ham Se-hwan and Kim Yong-tae to their hometowns at an early date.

The North side headquarters of Pomminnyon firmly believe that all Pomminnyon organizations at home and abroad and the fellow countrymen of various strata will pool efforts in the struggle for the release and repatriation of all unconverted long-term prisoners in South Korea including Kim In-so, Ham Se-hwan and Kim Yong-tae.

Availing ourselves of this opportunity, we express the hope that all peaceloving people over the world will express solidarity with the Korean people's efforts for the unconditional release and returning of unconverted long-term prisoners in South Korea to their hometowns and that the international organizations will give positive cooperation for the repatriation of the old Kim In-so, Ham Se-hwan and Kim Yong-tae.

Letter to International Red Cross

SK1111043194 Pyongyang KCNA in English 0414 GMT 11 Nov 94

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—Yi Song-ho, acting chairman of the Central Committee of the Red Cross Society of the Democratic People's Republic of Korea, sent a letter to chairman of the International Committee of the Red Cross Cornelio Sommaruga, asking him to actively cooperate in the repatriation of old Kim Yong-tae, an unconverted long-term prisoner detained in South Korea, to the northern half of Korea.

The letter said:

Kim Yong-tae, a prisoner of war who was arrested while active in the Korean People's Army and a guerrilla unit during the Korean war, should have been sent back to the North at the time when prisoners of war were exchanged right after the ceasefire.

The South Korean authorities, however, kept him in jail for more than 30 years for the reason that he refused ideological conversion and, after his release, refuse to send him to the North under unreasonable pretexts.

He is now suffering from diseases caused by his many years of prison life. But he is barely eking out his existence in the depths of despair with nobody to protect him away from his flesh and blood.

To send him back to his hometown where his family and relatives are waiting for him at an early date as he hopes is a noble humanitarian matter the solution of which brooks no further delay.

The letter expressed the belief that the International Committee of the Red Cross would pay a deep attention to the matter and actively cooperate in his repatriation.

Yi In-mo Sends Letter to Prisoner

SK1111101494 Pyongyang KCNA in English 1007 GMT 11 Nov 94

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—Yi In-mo, a former war correspondent of the Korean People's Army, who has recovered his health after being embraced in the bosom of the northern half of the country, sent a letter to Kim Yong-tae, an unconverted long-term prisoner who is suffering from incurable diseases in South Korea.

In the letter Yi said:

"I owe my blissful life with my wife and daughter without any worry to President Kim Il-song, the sun of the nation, and the dear leader Comrade Kim Chong-il.

"Hangmen in the South reduced me to a breathing fossil and a dead leaf of human life by putting me to all sorts of tortures and persecution in prison for dozens of years. But dear General Kim Chong-il took utmost care of me and made me a green leaf of human life.

"If it had not been for the tender bosom of dear General Kim Chong-il, I, who had been called by the prisoner number in the South, with my name ignored, could not have become 'the incarnation of faith and will' and Yi In-mo known to the world."

He said that the utmost love and care of dear General Kim Chong-il are shown not only to him but also to Kim In-so, Ham Se-hwan as well as Kim Yong-tae who are suffering troubles in South Korea.

Noting that all efforts possible are being made for the repatriation of Kim Yong-tae in the northern half of the country at present, he expressed the firm belief that Kim Yong-tae would fight more courageously for his return to the DPRK, where there is his dear son, not changing his mind.

Newspaper on Long-Term Prisoners

SK1211045194 Pyongyang KCNA in English 0441 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—NODONG SINMUN today comes out with a by-lined article headlined "Question of Repatriation of Unconverted Long-term Prisoners Must Be Solved Quickly."

Noting that the repatriation of old Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners, to the North is an urgent humanitarian question whose solution brooks not a moment's delay, the article says:

This is demanded by their lot.

They have got incurable diseases from their prison life of dozens of years. They need now, above all, the warm love and protection of their flesh and blood. But they are undergoing hardships, denied proper medical assistance, living all alone in South Korea where they have no flesh and blood. To cap it all, they are under constant watch and persecution of the fascist authorities. This tragedy must not be prolonged.

It is a rule that prisoners of war are sent back home with the end of a war. This is a publicly accepted principle of international law. This is stipulated in the Korean Armistice Agreement, too.

The South Korean authorities, however, kept in custody POWs who should have been repatriated shortly after the ceasefire. Trying to force "ideological conversion" upon those POWs, they brutally persecuted and suppressed them and still now persistently refuse to send them back.

Old Kim In-so, Ham Se-hwan and Kim Yong-tae are POWs who served in the Korean People's Army as soldiers and were arrested while active in guerrilla units under unavoidable circumstances during the war. This is clear from the fact that they were kept in POW camps after being arrested.

The South Korean authorities must send the unconverted long-term prisoners, who are POWs, at an early date to the northern half of the country where there are their hometowns and their families and relatives, in compliance with international law.

Alliance of Trade Unions Inaugurated in South

SK1111115194 Pyongyang KCNA in English 1020 GMT 11 Nov 94

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—The Council of Representatives of Public Works Trade Unions (Kongnodae), an umbrella organization of some 140 public works trade unions in South Korea, held the inaugural ceremony in Puon County, North Chungchong Province, on November 4 with the participation of about 400 unionists including chairmen of trade unions, according to the South Korean paper TONG-A ILBO.

Kongnodae at a press conference in Seoul on the same day said that the 200,000 workers of public works could no more remain a victim of the "government's" suppression of the trade union activities and wage-curbing policy and that the council was inaugurated to get the authorities' wage-curbing policy abolished and the three rights of labour ensured.

Kongnodae set it as its action goal to "fight against the administrative guideline, one-sided mediation, restriction of the right to unify and all other restrictions of the authorities which make the autonomous negotiations between labour and management in the field public works meaningless.

Statement Supports ROK Dissident Organizations

SK1211233294 Pyongyang KCNA in English 2256 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—The consultative council of former South Korean politicians in the North for the promotion of peaceful reunification issued a statement today supporting the South Korean dissident organisations in the relentless struggle against the criminal acts of the Kim Yong-sam "civilian" fascist group.

The statement says:

Some ten dissident organisations of South Korea recently held a rally and a press conference, strongly demanding that the chief culprits of the "December 12 Army purge coup" be brought to justice at once and that the "National Security Law" (NSL) be scrapped and the "Agency for National Security Planning" (ANSP) be disbanded.

Considering the demand of the South Korean dissident organisations to be an entirely just demand reflecting the unshakable will of the South Korean people never to pardon the criminal acts of the "civilian" fascist group that is defending the murderers and viciously acting against the nation and reunification in reliance on the "NSL" and the "ANSP," the consultative council of former South Korean politicians in the North for the promotion of peaceful reunification expresses full support to it.

The Kim Yong-sam group's defence of those involved in the "December 12 Army purge coup" is a stopgap measure to prolong its remaining days by clinging to the forces of the "Fifth and Sixth Republics" rejected by the South Korean people, like a drowning man catching at a straw.

It is the "NSL" and the "ANSP" that back the Kim Yong-sam puppet clique's anti-national, anti-popular acts in South Korea today.

Although the Kim Yong-sam group is harshly suppressing the patriotic pro-reunification democratic forces by invoking the "NSL" and the "ANSP" and driving the North- South relations to the worst phase, it will only precipitate its own destruction.

Lawyers Association Urges ROK To Abolish NSL

SK1011232494 Pyongyang KCNA in English 2203 GMT 10 Nov 94

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA)—The South Korean puppets must look straight at the demand of the people and the trend of the times, immediately scrap the "National Security Law" (NSL), disband the "Agency for National Security Planning" (ANSP) and severely punish Chon Tu-hwan, No Tae-u and others involved in the "December 12 incident," urged the Korean Democratic Lawyers' Association in a statement today.

Noting that the anti-"government" sentiments are growing among the dissidents and people of all walks of life against the background of the aggravation of contradictions within the puppet ruling quarters of South Korea with the total failure of the "policies toward the United States and North Korea, the statement says:

Some ten dissident organisations of South Korea including the National Council of Bereaved Families for Democracy and National Reunification and the students affiliated with the Kwangju-South Cholla Provincial Federation of General Student Councils rose in a struggle demanding the punishment of those involved in the "December 12 incident," the release of the prisoners of conscience, the abolition of the "NSL" and the disbandment of the "ANSP."

The Korean Democratic Lawyers' Association expresses full support to the South Korean dissident organisations and people of all walks of life in their righteous struggle for independence and democracy in society.

The statement continues:

"Liquidation of the past" and "reforms" advertized by the Kim Yong-sam group are hypocritical phrases to cheat the people and prop up the "civilian" fascist rule.

Far from punishing the traitors Chon Tu-hwan and No Tae-u, the main targets of the liquidation of the past, the traitor Kim Yong- sam granted them a suspension of prosecution, describing them as "persons of meritorious services." Worse still, he is preaching the "necessity" of the "NSL" and invoking this anti-democratic, anti-reunification fascist law in his truculent fascist rule.

The Korean Democratic Lawyers' Association bitterly denounces in the name of the entire lawyers of the northern half of Korea the Kim Yong-sam group's attempts to defend the chief murderers and maintain the "NSL," branding them as a downright challenge to human rights and democracy and as anti-national, anti-reunification criminal acts aimed at confrontation within the nation and a permanent split of the country.

We express the belief that the judicial circles, dissidents and people of all walks of life in South Korea will continue their undaunted struggle till the traitors Chon Tu-hwan and No Tae-u have been tried and punished, the "NSL" scrapped and the "ANSP" disbanded.

CPRF 'Information' Condemns Kim Yong-sam Group

SK1111043594 Pyongyang KCNA in English 0419 GMT 11 Nov 94

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] issued information No. 661 Thursday condemning the Kim Yong-sam group for openly committing unpardonable criminal act, by defending the masterminds of the "December 12 incident" who grabbed power by military revolt, far from punishing them.

The information says:

The traitor Kim Yong-sam and the puppet prosecution defined the "December 12 incident" as a military coup and military revolt by their mouths but patronize the masterminds under an unreasonable pretext, even not bringing them to justice. This is a never-to-be condoned crime and an open challenge to the public opinion at home and abroad.

Ever more intolerable is the fact that the Kim Yong-sam puppet clique has not scrapped the notorious "National Security Law" [NSL] which is under fire throughout the world as well as in South Korea but is harshly suppressing the patriotic struggle of the South Korean people for independence, democracy and reunification by wielding it.

Should the "NSL" be a law for public security in actuality, the masterminds of the revolt who grabbed "power" by an illegal military coup should have been punished on the charge of violating the "law".

The Kim Yong-sam group cries out for cooperation and dialogue with the North, while keeping the anti-reunification "NSL" as it is. This is nothing but a foolish ruse to deceive the public opinion and get rid of the isolation and crisis within and without.

If the present rulers of South Korea have a will to improve the North-South relations and solve the question of the reunification of the country through dialogue, they must first of all abolish the "National Security Law" barring the national reconciliation and unity and reunification.

Statement Supports ROK Dissident Organizations

SK1211233294 Pyongyang KCNA in English 2256 GMT 12 Nov 94

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It is the "NSL" and the "ANSP" that back the Kim Yong-sam puppet clique's anti-national, anti-popular acts in South Korea today.

Although the Kim Yong-sam group is harshly suppressing the patriotic pro-reunification democratic forces by invoking the "NSL" and the "ANSP" and driving the North-South relations to the worst phase, it will only precipitate its own destruction.

'Reverence' for Kim Chong-il Growing in ROK

SK1411044594 Pyongyang KCNA in English 0434 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—The reverence for the dear leader Comrade Kim Chong-il is growing deeper among South Korean people of all walks of life upon receiving his message of thanks to all Koreans who expressed deep condolences on the death of the great leader President Kim Il-song, according to radio Voice of National Salvation from Seoul.

A professor surnamed Yi of Korea University, who monitored the message of thanks over Radio Pyongyang with his disciples had this to say:

"We have not yet realized a Northern trip for expressing condolences to the fatherly president who made all sorts of painstaking efforts till his age above eighty, so eagerly concerned for the 70 million fellow countrymen, though the hundredth day of his death has passed. But, the dear leader Kim Chong-il sent us a message of thanks. We have no proper word enough to express our awkward mind. The message is an offspring of his noble policy of loving the people and the nation.

"As streams flow into the sea, the minds of our people in the South, too, are running toward the dear leader Kim Chong-il, the father of the nation. Only when we follow him who shapes patriotic politics, can we achieve independence and the reunification of the country and have a bright future of the nation and will the fellow countrymen lead a dignified life."

A second lieutenant surnamed Kim belonging to the 21st division of the puppet army of South Korea told his friends:

"My conviction is growing deeper as the days go by that Supreme Commander Kim Chong-il is the leader of the nation whom our 70 million fellow countrymen should follow, entrusting their destinies. He should have been consoled, but he gave consolation to the fellow countrymen. I am grateful to the brilliant great man for his magnanimity. Supreme Commander Kim Chong-il is, indeed, the greatest of great men admired by all people and only when led by him, leader, can our nation prosper. I will trust and follow him in the future."

Japan, ROK Criticized for 'Military Collusion'

SK1511063894 Pyongyang KCNA in English 0429 GMT 15 Nov 94

["Ill-Boding Military Move"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—"Defence policy makers" of Japan and South Korea reportedly held a "dialogue of officials in charge of defence" in Seoul a few days ago and agreed to "strengthen the relations of military cooperation."

This is a very ill-boding military move to tighten the military collusion between Japan and South Korea "in case of emergency" on the Korean peninsula. This shows they still have the criminal intention of hampering the implementation of the framework agreement between the DPRK and the United States, driving the situation on the Korean peninsula to a critical phase and overpowering the DPRK by force of arms.

The double-faced attitude of Japan, which is hatching a plot to harm the DPRK while paying lip service to "normalisation of diplomatic relations between Japan and the DPRK," reveals the height of craftiness.

We can hardly repress resentment at the never-to-be-condoned criminal act of the Kim Yong-sam group to do harm to fellow countrymen in open conspiracy with the Japanese reactionaries watching for a chance of reinvasion.

Kim Yong-sam, who begged for "sanctions" against fellow countrymen, nullifying the past aggression of Japanese imperialism and the unheard-of anti-ethical crime concerning "comfort women for the army" and opens the way for Japan's reinvasion, is an A-class flunkeyist traitor putting into the shade the five traitors of 1905 who sold out Korea to Japan.

The Kim Yong-sam group, utterly isolated and driven into a tight corner at home and abroad after the failure of its one-sided policy of confrontation with the North, is trying to find a way out in isolating and stifling the DPRK with recourse to the wornout "cooperation system" again. It is, however, a futile attempt.

The Japanese reactionaries and the Kim Yong-sam group must act with discretion, looking straight at the trend of the times.

U.S.-Japan Joint Military Exercise Denounced

SK1311031294 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 9 Nov 94

[FBIS Translated Text] According to reports from Tokyo, (Team AJ-95), a U.S.-Japan joint military exercise, which is the largest in history, began 8 November.

As an initial stage, a joint command post exercise that charts operations on a map is being conducted at the Japan Defense Agency. At the end of the joint command post exercise on 12 November, a joint field drill exercise will take place in Hokkaido and Miyagi Prefectures from 14 to 17 November.

Approximately 13,000 Self-Defense Forces of the three services and some 10,000 U.S. Forces will participate in the joint military exercise.

According to reports from KYODO News Agency, the Self-Defense Forces of the three services, U.S. troops stationed in Hawaii and Okinawa, and the U.S. aircraft carrier Kitty Hawk will wage a large- scale exercise that would deal a counterblow in the event Japan is attacked.

It has been said this is the first time the joint command post exercise and the field drill exercise are being conducted consecutively in U.S.-Japan joint military exercises, which began in 1985.

The military exercise that is being madly pursued on an actual level is a grave threat to the peace and security of Asia and arouses deep concern and vigilance.

Russian Party, Pomminnyon Officials Arrive

SK1211233394 Pyongyang KCNA in English 2257 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—Igor Malyarov, first secretary of the C.C. [Central Committee], the Young Communist League of Russia, arrived here today.

Yun I-sang, chairman of the overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon), who is a prominent composer, and his companion also arrived here today.

WPK Delegation's Visit, Talks in Cuba Reported

SK1211095894 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 8 Nov 94

[FBIS Translated Text] A delegation of the Workers' Party of Korea [WPK] led by Hwang Chang-yop, secretary of the WPK Central Committee, met with Roberto Robaina, Cuban minister of foreign relations, on 1 November and held a friendly conversation. The Cuban foreign relations minister said the Cuban Government cherishes more than anything the friendship and cooperation between the governments and peoples of Cuba and the DPRK, which is based on the solid friendship between Comrade Fidel Castro and Comrade Kim Il-song. He also stressed that the Cuban Government will continue to strengthen and develop such relations.

On 2 and 3 November, the delegation toured various places, including a farm in Havana, and met with the general secretary of the Afro-Asian-Latin American People's Solidarity Organization. During their stay in Cuba, the delegation was invited to a banquet hosted by the Central Committee of the Cuban Communist Party. The delegation also arranged a banquet in return.

After concluding the visit, the delegation left Havana on 4 November. The deputy director of the International Department of the Central Committee of the Cuban Communist Party, functionaries concerned, and the DPRK ambassador to Cuba saw the delegation off at the airport.

Book on Korean Education Published in Pakistan

SK1211105594 Pyongyang KCNA in English 1050 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—Book "The Country of Education" written by Javed Ansari [spelling of name as received], chairman of the Study Committee of Kimilsongism of Youth in Karachi, Pakistan, was recently brought out in Pakistan.

The book prints a picture of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il giving on-the-spot guidance to the Mangyongdae School Children's Palace.

It consists of a preface and titles "Theses on Education", "Compulsory Education of Highest Level", "To Build Up Large Contingent of Native Cadres", "The Country Where Everyone Studies", "Children Are 'King' of the Country" and "Teacher Is a Revolutionary".

The author said that calling the Democratic People's Republic of Korea "the country of education" and "the country of learning" is the times' conviction of the brilliant victory of the chuche-based idea of education of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il and a historic sum of the brilliant success of popular education and the training of native cadres in Korea.

He wrote about the shining achievement in educational work under the wise guidance of the great leader and the dear leader and said this is the model and precious experience which all countries should follow.

Worker's Party Delegation Arrives in Uruguay

SK1211091194 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 9 Nov 94

[FBIS Translated Text] A delegation of the Workers' Party of Korea [WPK], led by Hwang Chang-yop, secretary of the WPK Central Committee, arrived in Montevideo, Uruguay, on 6 November.

Article Dedicated to Relations With Mauritania

SK1211103194 Pyongyang KCNA in English 1013 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—MINJU CHOSON today dedicates a signed article to the 30th anniversary of the establishment of diplomatic relations between Korea and Mauritania.

After the establishment of diplomatic relations the friendly and cooperative relations between the two governments and peoples has been developed and strengthened on the principle and in the interests of the nonaligned movement, the article says, and goes on:

The Mauritania visit of the great leader Comrade Kim Il-song in 1975 was a historical event which developed the friendly and cooperative relations between Korea and Mauritania onto a new high stage.

The Korean people are sincerely rejoiced over the achievements made by the Mauritanian people in their struggle for the stability of the country and the building of a new society and believe that the friendly and cooperative relations between the two countries forged by Comrade Kim Il-song will further expand and strengthen in the common idea or independence, peace and friendship in the future.

Greetings Sent to Slovak National Council Head

SK1411052294 Pyongyang KCNA in English 0509 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly, sent a message of greetings to Ivan Casparovic upon his reelection as chairman of the Slovak National Council.

The message expressed the belief that the friendly relations between the two parliaments would develop to a new dimension and wished Ivan Casparovic success in his work.

WPK, Trade Union Groups Leave for Congresses

SK1011234194 Pyongyang KCNA in English 2212 GMT 10 Nov 94

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA)—A delegation of the Workers' Party of Korea [WPK] headed by Yim Son-pil, vice-director of a department of the Central Committee of the Workers' Party of Korea, left here today to participate in the congress of the French Socialist Party and the 4th federal meeting of the Left Coalition of Spain and a delegation of the General Federation of Trade Unions of Korea headed by Yi Chin-su, vice-chairman of its Central Committee, to participate in the 13th congress of the World Federation of Trade Unions in Syria.

PRC, Bangladesh Delegations Arrive on 12 Nov

SK1311083194 Pyongyang KCNA in English 0820 GMT 13 Nov 94

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA)—Syed Manjur Hossain [spelling of name as received], member of the Central Committee of the Bangladesh Nationalist Party and member of parliament, and a delegation of the Chinese Medical Association led by its Vice-president Xiao Ziren arrived here on Saturday [12 November].

New Bangladesh Ambassador Meets Foreign Minister

SK1011234394 Pyongyang KCNA in English 2213 GMT 10 Nov 94

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA)—Kim Yong-nam, vice-premier and foreign minister, today met and had a talk with Mustafizur Rahman, new Bangladesh ambassador to Korea who paid a courtesy call on him.

Meets With Vice President Pak

SK1111105294 Pyongyang KCNA in English 1030 GMT 11 Nov 94

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—Mustafizur Rahman, new Bangladesh ambassador to Korea, today presented his credentials to Vice-President Pak Song-chol at the Mansudae Assembly Hall.

Vice-president Pak [words indistinct] a conversation with the ambassador after receiving the credentials.

Cilreco Bulletin Urges Solidarity With Koreans

SK1411104894 Pyongyang KCNA in English 1021 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—The international Liaison Committee for the Peace and Reunification in Korea (Cilreco) on November 1 printed a bulletin calling for expanding the movement of solidarity with the Korean people.

The bulletin in an article titled "Announcement of Important Agreement Between the DPRK and USA" says the DPRK-USA agreed framework is a milestone in fundamentally solving the nuclear issue of the Korean peninsula, removing "nuclear suspicion" against the Democratic People's Republic of Korea and nuclear threat and converting the hostile relations between the two countries to normalization.

The bulletin points out that the adoption of the DPRK-USA agreed framework is a victory of the constant stand of principle and diplomacy of the DPRK and it eloquently showed that a country, even a small one, can defend its dignity and sovereignty if it takes a stand on its own principle.

In an article headlined "Let Us Conduct Movement of Solidarity With the Korean People on a Wider Scale, Not Releasing the Strain After the Publication of DPRK-USA Agreed Framework" the bulletin recalls that the U.S. defence secretary said he did not take into consideration the cutback of U.S. Forces stationed in South Korea and the Japanese and South Korean authorities raised a clamour that they took "too much concessions to North Korea". The bulletin stresses precautions should be taken against the double-faced tactics of the United States.

The bulletin calls upon the anti-war, peaceloving organizations of the world and organizations for solidarity and friendship with the Korean people to organize and conduct the international movement for solidarity and public opinion for thorough implementation of the DPRK-USA agreed framework in conformity with the specific character and situation of each region and nation.

The bulletin in a brief commentary on the violation of human rights in South Korea says the South Korean authorities have arrested many students for the reason that they want the reunification of Korea and refused the repatriation of the unconverted long-term prisoners. It stresses Kim Yong-sam should, first of all, tear down the concrete wall and scrap the "National Security Law" before talking about reunification.

Meetings Held Abroad on Reunification Proposal

SK1511104694 Pyongyang KCNA in English 1011 GMT 15 Nov 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—Meetings were held in Guinea, Zaire and Mozambique to support the proposal for founding the Democratic Confederal Republic of Koryo (DCRK).

Mamadou Ali Sampil, chairman of the Guinean Committee to Support Korea's Reunification, at a meeting held in Conakry said his excellency the great leader President Kim Il-song was an outstanding great man who devoted his all to the cause of national reunification.

Noting that the DCRK founding proposal is a most justifiable reunification proposal, he expressed support and solidarity for the struggle of the Korean people for the country's reunification.

Secretary General of the Trade Union of Construction Jeremi Asti Manu, speaking at a meeting held in Maputo, said peace was ensured and a phase favourable for reunification was opening now on the Korean peninsula.

"We extend firm support and solidarity to the Korean people in their struggle to reunify the country under the leadership of the dear leader Comrade Kim Chong-il in accordance with the DCRK founding proposal and the 10-point programme of the great unity of the whole nation for the reunification of the country put forward by the great leader Comrade Kim Il-song," he said.

Letters to Comrade Kim Chong-il were adopted at the meetings held in Guinea and Mozambique.

A statement supporting the DCRK founding proposal was released by the British Society for the Study of the Chuche Idea.

The statement said the proposal for reunification through confederation based on one nation, one state, two systems and two governments was a realistic and reasonable one for putting an end to confrontation in Korea and realizing the country's reunification on the basis of great national unity transcending the difference of systems.

Noting that to achieve Korea's reunification though confederation is to fulfil the behests of His Excellency President Kim Il-song, the statement called upon all political parties, organizations, trade unions and peace organizations in Britain to extend support and encouragement to the Korean people's struggle to carry into practice the confederation formula of reunification which would promote a durable peace and security on the Korean peninsula.

Signature Campaign for Reunification Held Abroad

SK1511104894 Pyongyang KCNA in English 1018 GMT 15 Nov 94

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—A signature campaign for supporting the "10-point programme of the great unity of the whole nation for the reunification of the country" put forward by the great leader President Kim Il-song was extensively conducted in the five continents of the world.

The worldwide signature campaign held from April to October last in response to the appeal of the International Liaison Committee for the Reunification and Peace in Korea and the Asian Regional Committee for Supporting Korea's Reunification was attended by 1,730 million personages and people including heads of state and government, leaders of political parties, ministers, speakers of parliament, members of parliament and provincial governors in 150 countries.

Lansana Conte, president and head of state of Guinea, signed the signature paper and declared that the Guinean Government had supported and would support only the proposal for Korea's reunification put forward by his excellency the great President Kim Il-song, an intimate brother.

Palestinian President Yasir 'Arafat signed the signature paper and said the tireless efforts and achievements made by the great President Kim Il-song for national reunification would shine long.

The general secretary of the ruling People's Rally of Togo authorized by the president, signed the signature paper on behalf of the rally and the Burundian president declared the start of "one- million-people signature campaign for supporting the 10-point programme of the great unity of the whole nation" and signed the signature paper reading "We support the 10-point programme of the great unity of the whole nation and demand the immediate dismantlement of the concrete wall."

Signature papers were also signed by regional and international organizations including the World Federation of Trade Unions, the Tri-continental People's Solidarity Organization, the Afro-Asian People's Solidarity Organization, the Trade Unions International of Workers in Energy, the International Federation of Arab Trade Unions, the Trade Union International of Food Industry, the Arab Youth Union, the Pan-african Youth Movement, the African Committee of the World Peace Council and the Pan-african Congress, and by ministers, socio-political activists, and political and public figures in Syria, Egypt, Yemen, Ghana, Mozambique, Zambia, Tanzania, Uganda, Zaire, Laos, the Congo, the United States, France, Mexico and many other countries. The validity and great vitality of the 10-point programme are clearly proved by the worldwide signature campaign for supporting it.

Ten-Point Program Supported

SK1111234094 Pyongyang KCNA in English 1503 GMT 11 Nov 94

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—The signature campaign supporting "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" put forward by the great leader President Kim Il-song was conducted in different countries.

Anna Abdallah, minister of state for the Office of the Prime Minister and the first vice-president and chairman of the Women's Union of Tanzania, signed the signature paper on behalf of the members of the union on October [words indistinct].

In India, [words indistinct] parliamentarians had signed the signature paper on behalf of the residents of their electoral districts by October 30.

The signature paper was signed in Ethiopia in September and October by the chiefs of the First, Second, Fourth and Fifth Districts of Addis Ababa Region of the Teachers Association and secretaries of Sidamo, Awassa and Tulubolo Districts of the Sidama People's Democratic Union.

In Bangladesh 3.25 million members of political parties and public organizations and people of different walks of life [words indistinct].

Confederation Proposal Favored

SK1111101994 Pyongyang KCNA in English 1013 GMT 11 Nov 94

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—Jordanian organisations and Argentinian public figures recently released statements supporting the proposal for founding the Democratic Confederal Republic of Koryo [DCRK] and "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" in the month of support to the DCRK founding proposal.

Jordanian organisations including the Jordanian Committee for Solidarity with the Korean People and the Arab Islamic Democratic Movement, the Islamic World and Arab Leadership of the International Front Against Zionism in a joint statement said that the proposal for reunification through confederacy and "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" put forward by his excellency the great President Kim Il- song are fair and aboveboard proposals for successfully achieving the reunification of the Korean peninsula, not encroaching upon the interests of the North and the South of Korea.

General Secretary of the Communist Party of Argentina Patricio Echegariay, General Secretary of the Trade Unions of Pharmacy Alfredo Ferarecy, Editor-in-Chief of PROPUESTA Jorge Creinez and other public figures of Argentina in a joint statement demanded that the question of Korean reunification be solved in a peaceful way under any circumstances and on the basis of the objective reality of the country.

Saying that the DCRK founding proposal on establishing a unified national government on condition that the North and the South recognize and tolerate each other's idea and social system, a government in which the two sides are represented on an equal footing, is indeed of great significance, the statement stressed that a confederal state is a most appropriate and reasonable form.

T.B. Mukherjee, president of the Asian Regional Institute of the Chuche Idea, too, supported the proposal for founding the DCRK.

Sreet Named After Kim Il-song in Cambodia

SK1511104594 Pyongyang KCNA in English 1005 GMT 15 Nov 94

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—A ceremony for naming a street Generalissimo Kim Il-song Street was held in Phnom Penh, Cambodia, on November 12.

Present at the ceremony were His Royal Highness Prince Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, co-ministers of defence and other ministers, acting mayor and deputy-mayors of Phnom Penh and thousands of people.

Invited there were a military delegation of the DPRK led by Choe Kwang, Politburo member of the Central Committee of the Workers' Party of Korea, vice-chairman of the DPRK National Defence Commission and chief of the General Staff of the Korean People's Army, the Korean ambassador to Cambodia and diplomatic envoys of different countries.

The first prime minister in his speech said that the royal government and people of Cambodia would never forget the deep solicitude and assistance shown by his excellency the great leader Generalissimo Kim Il-song, to esteemed His Majesty King Norodom Sihanouk and the Cambodian people.

I deem it a great honor to name a street after his excellency the great leader Generalissimo Kim Il-song on the instruction of esteemed his majesty king, he said, and stressed: The street will be a precious wealth of the kingdom and people of Cambodia and shine forever with the august name of his excellency the great leader Generalissimo Kim Il-song, a close friend of esteemed his majesty king.

The nameplate of "Generalissimo Kim Il-song Street" was unveiled by the first prime minister of the royal government of Cambodia and the head of the DPRK military delegation.

Kim Chong-il's 'Socialism Is a Science' Praised

SK1111051994 Pyongyang KCNA in English 0406 GMT 11 Nov 94

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—The dear leader Comrade Kim Chong-il's famous work "Socialism Is a Science" was reported by news media of different countries.

The Syrian paper TISHRIN on November 6 printed a portrait of Comrade Kim Chong-il and said under the title "Kim Chong-il Declares: Korea Will Hold Fast to Socialist Line":

Comrade Kim Chong-il in his work stresses that although socialism is temporarily experiencing a heart-rending setback because of opportunism, it will without fail be revived and win ultimate victory for its scientific accuracy and truth.

He says that the crumbling of socialism in various countries does not mean the failure of socialism as science but the bankruptcy of opportunism which has corrupted socialism.

He states that socialism of Korea is based on the chuche-orientated view of and attitude to man.

He says the single-hearted unity of the leader, party and people, based on love and loyalty, is the most solid unity, and Korean-style socialism rooted in this single-hearted unity is ever-victorious.

Another Syrian paper AL-BA'TH carried a detailed summary of the work.

The work was also reported by the Singaporean paper STRAITS TIMES, the Thai paper XING XIAN RIBAO, the Indian paper TIMES OF INDIA, the German paper FRANKFURTER ALLGEMEINE SONNTAGSZEITUNG, the Tanzanian paper UHURU, the Egyptian paper EGYPTIAN GAZETTE, the Nicaraguan paper LA PRENSA, the Zimbabwean paper HERALD, the Ugandan paper THE NEW VISION, the Pakistani papers PAKISTAN TIMES, JANG, MUSLIM, THE NATION, PAKISTAN OBSERVER, PAKISTAN and MARGAZ and the Yugoslav papers POLITIKA, BORBA and VECERNJE NOVOSTI under the titles "Leader Kim Chong-il Declares Socialism Is Alive in the Hearts of People", "Socialism Is Sure To Be Finally Victorious", and so on.

The work was reported by REUTERS, UNI and Central Radio of India, APP and NNI of Pakistan, SNA of Syria, Radio Panorama of Peru, Radios Nos.1, 2 and 3 and Televisions Nos.1 and 2 of Zimbabwe, Radio Mali, Radio Uganda, Radio "FM 90" of Cambodia, Radio Thailand and Television and Radio of Burundi.

Indian Groups Comment on Work

SK1211104294 Pyongyang KCNA in English 1033 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—Indrajit Gupta [spelling of name as received], general secretary of the National Council of the Communist Party of India, when he met the Korean ambassador on November 5, said that the work "Socialism Is a Science" published by Comrade Kim Chong-il, the supreme leader of the Korean people, is a great revolutionary textbook which serves as a guideline for the socialist and communist movement at the present times.

"It gives great strength to the communists and peace-loving people of the world that the dear leader Comrade Kim Chong-il gave a clear teaching on the historic inevitability of the victory of socialism, the invincibility of Korean-style socialism and the scientific accuracy and truth of socialism when the imperialists and the renegades of revolution are fussing about the 'end' of socialism," he stressed.

Chitta Bash [spelling of name as received], general secretary of the Central Committee of the All-India Forward Bloc, when he met the Korean ambassador on the same day, said the supreme leader of the Korean people Comrade Kim Chong-il's definition that socialism is the idea and revolutionary banner of the popular masses fighting for independence is a really valuable proposition.

"The Central Committee of the All-India Forward Bloc will make a deep study of the scientific accuracy and truth of socialism and the invincibility of Korean socialism clarified by him and adopt his work as a work which must be read by all the members of the bloc," stated the general secretary.

Russian Scholar Lauds Treatise

SK1211105394 Pyongyang KCNA in English 1047 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—"Socialism Is a Science," a treatise dear Comrade Kim Chong-il, the great leader of the Korean people, is a great scientific work which proves the scientific accuracy and truth of socialism and a great encyclopedia which consummates the theory on the accomplishment of the cause of socialism from a new angle, said Gennadiy Ratpulin, general secretary of the Scholars' League for the Study of Human Question in the Present World and a professor of the National Management Academy in Russia.

He told a reporter in Pyongyang that the historic treatise is of weighty significance since it gives an unshakable conviction of the victory of the cause of socialism not only to the Korean people but also to the world revolutionary people.

In the treatise the dear leader Comrade Kim Chong-il said socialism is sure to win because it is an inevitable stage of historical development and socialist society is the most progressive one which conforms with man's independent nature and in order to realize socialism, the revolutionary forces must be prepared and a correct method of struggle evolved.

He said the experience of the Korean revolution, which has advanced under the banner of the chuche idea, shows that if we strengthen the motive force of the revolution and enhance its role, we can not only avail ourselves of the given objective conditions but also turn unfavourable objective conditions into favourable ones and ensure the victory of the revolution by turning a misfortune into a blessing. This is entirely a just proposition which can be advanced only by him, the professor said. Adding:

"The achievements registered by the Korean people in a short period of 40 odd years convince us that the socialist society of Korea would be a developed socialist society with better material conditions in the near future."

He stressed that dear Comrade Kim Chong-il is the only one who will lead the socialist movement to victory in the present era.

Foreign Media Report on Work

SK1211043594 Pyongyang KCNA in English 0414 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—The dear leader Comrade Kim Chong-il's famous work "Socialism Is a Science" has been reported by news media of different countries.

The Indonesian paper KOMBAS on November 8 reported about the work, saying:

His Excellency Kim Chong-il in his work stresses that socialism centred on the popular masses is the most scientific, advantageous and powerful socialism.

He says that the imperialists and reactionaries are fussing about the end of socialism", with regard to the events in some countries which had been building socialism, but the truth cannot be concealed or obliterated. [no opening quotation mark as received]

He teaches that the crumbling of socialism in various countries does not mean the failure of socialism as a science but the bankruptcy of opportunism which has corrupted socialism.

The work was reported in detail by the Indian paper ECONOMIC TIMES, the Iranian papers JAHON ISLAM and SALOM, the Egyptian paper AL AKHBAR, News Agency MENA and radio CAIRO and Romanian News Agency ROMPRES and radio.

Kim Chong-il's Efforts on Robotics Hailed

SK1511133794 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 14 Nov 94

[Unattributed talk from the "Hour for South Korean Students" program: "Putting Our Young Intellectuals at The Forefront of The Development of The Country's Science and Technology"]

[FBIS Translated Text] The wise leadership and care of the dear leader Comrade Kim Chong-il, who has put our young intellectuals at the forefront of the development of the country's science and technology and who has led them to unreservedly display their vigorous wisdom and talents, are found even in the three revolutions teams' national robot exhibition hall.

One day in May 1988, perceiving the developing trend of the world's science and technology, the dear leader Comrade Kim Chong-il gave us a lesson on holding a national robot exhibition of the three-revolutions teams in order to further enhance three-revolutions-team members' role in rapidly developing our country's science and technology. And after acquainting himself with the status of their robot manufacturing, the dear comrade leader gave an instruction to members of the three revolutions teams so that they could accelerate efforts to manufacture robots to be displayed in the national robot exhibition of the three-revolutions teams.

The national robot exhibition of the three-revolutions teams initiated by the dear leader Comrade Kim Chong-il reflected the dear comrade leader's intent and expectation to bring about a new era in manufacturing robots by putting young intellectuals, who have been firmly armed with the chuche idea and who possess the knowledge of advanced science and technology, at the forefront, and by leading them to strengthen creative cooperation with workers and technicians.

Upon receiving the dear leader Comrade Kim Chong-il's instruction on holding the national robot exhibition of the three-revolutions teams, functionaries and members of the three-revolutions teams could not repress their emotions toward the dear leader's trust of identifying them as forerunners of the development of science and technology.

The great leader Comrade Kim Il-song has taught: Only when young people, who are sensitive to new things and who are endowed with a strong progressive spirit, stand at the forefront, can the technological revolution be successfully carried out and the country's overall technological and cultural level be rapidly enhanced.

In retrospect, on the days when the solemn sound of the gun of the Third Seven-Year Plan reverberated, the dear leader Comrade Kim Chong-il attached great significance to the country's scientific and technological development and gave the honorable task of manufacturing robots, which require a high level of science and technology, in all plants and enterprises, and using them in production sectors. The realization of the robotization in normalizing production at a high level, by modernizing and making plants and enterprises scientific, is very important.

Deeply grasping this importance in manufacturing robots in enhancing the country's science and technology to the world's level, in conformity with the current trend of the developing science and technology, the dear leader Comrade Kim Chong-il saw it that the three-revolutions-teams' national robot exhibition was held on that day. He instructed members of the three-revolutions teams to rapidly complete the robots which were being manufactured and, thus, to enhance their effectiveness along with the work of further modernizing the existing robots. He also vigorously carried out the work of manufacturing new robots.

It was during the 14th plenary session of the Sixth party Central Committee held in November 1988 that a fundamental turn was effected in the manufacturing of robots by members of the three-revolutions teams. Receiving the decision of the 14th plenary session of the Sixth party Central Committee on developing the electronic automation industry members of the three-revolutions teams devoted all of their wisdom and talents to manufacturing robots everywhere in the country with their overflowing faith and conviction in victory.

Standing at the forefront of this solemn struggle, members of the three-revolutions teams considerably prepared for the robot exhibition, by displaying the indomitable spirit of struggle that when young people grapple with manufacturing robots with the courage bestowed by the party, like the members of the three-revolutions teams in the postwar period, who accelerated the technological revolution while smashing technological mysticism and conservatism, they can easily occupy any high scientific and technological fortress.

In particular, the dear comrade leader saw to it that members of the three-revolutions teams actively participated in the young people's march of science and technology in which the dear comrade leader encouraged premier young people to take the lead in the implementation of the decision at the 14th plenary session of the Sixth party Central Committee and that, thus, the vitality of this mass movement was displayed.

One day in 1989, the dear leader Comrade Kim Chong-il acquainted himself with the status of manufacturing the robots to be displayed in the exhibition. Then, he not only designated the period of transporting the manufactured robots to Pyongyang, but also taught how to display the robots in the exhibition.

At the end of March 1989, when the whole country was seething with a great revolutionary upsurge on the strength of the struggle for increased production and preservation, the dear leader Comrade Kim Chong-il gave members of the three-revolutions teams a great consideration so that they could significantly open the national robot exhibition of the three-revolutions teams on the occasion of the great leader's birthday. Thus, the national robot exhibition of the three-revolutions teams was held at Pyongyang indoor stadium on 13 April of that year.

Members of the three-revolutions teams were young college students, and they were very sensitive to new things and possessed a strong, progressive spirit. Therefore, they were extraordinary. The dear leader Comrade Kim Chong-il led the robot exhibition of these young students. The national robot exhibition of the three-revolutions teams held amid the trust and love of the dear comrade leader further inspired visitors to have new faith and new courage in technological innovation and scientific development from the first day of the opening of the exhibition.

Indeed, the national robot exhibition of the three-revolutions teams became an important occasion in leading the young intellectuals who were vigorously advancing under the banner of the three revolutions—

ideological, technological, and cultural—to play a great role in carrying out the technological revolution.

The exhibition was a robot display site which showed the vitality of the great leadership of the dear comrade leader who had offered technology and wisdom to the young intellectuals.

Indeed, thanks to the love and trust of the dear leader Comrade Kim Chong-il, who put our young intellectuals at the forefront of the development of the country's science and technology and who led them to unreservedly display their young wisdom and talents in this, today our country's science and technology are advancing toward a higher stage.

Soldiers Turn Out To Fulfill Kim Chong-il Order

SK1111044394 Pyongyang KCNA in English 0424 GMT 11 Nov 94

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—Soldiers of the Korean People's Army and the Korean People's Security Forces have turned out to fulfil Order No. 0051 of Comrade Kim Chong-il, the great leader of our party and our people and supreme commander of the Korean People's Army [KPA].

The November 9 order "On Building the Chongnyu Bridge (the second-stage) and the Kumnung Tunnel No.2 in Pyongyang" says that the Ministry of People's Armed Forces should finish their building by October 10, 1995, on which falls the 50th founding anniversary of the Workers' Party of Korea [WPK].

Meetings to carry out the order of Comrade Kim Chong-il took place at the construction sites on Thursday.

The order was conveyed at the meetings.

The soldiers of the Pak Wan-pom unit of the KPA who undertook the building of the Chongnyu Bridge (the second-stage) said at a meeting that, since there is a wise guidance of the great General Kim Chong-il who is possessed of rare wisdom and matchless grit and there are each-a-match-for-a-hundred soldiers intensely loyal to comrade supreme commander, nothing is impossible for them on the earth, however difficult and huge their tasks may be. And they vowed to build the bridge as a monumental edifice.

A letter of pledge to Comrade Kim Chong-il was adopted at the meeting.

At the ground-breaking meeting for Kumnung Tunnel No. 2, the soldiers of the Kim Chi-tok unit of the KPSF [Korean People's Security Forces] said they would greet the 50th founding anniversary of the WPK with significant achievements by completing the project in the shortest possible time on the highest level and thus display once again the militant power of the Korean People's Security Forces.

Kim Chong-il Defines Term 'Popular Masses'

SK1311082094 Pyongyang KCNA in English 0812 GMT 13 Nov 94

["Perfect Definition of Meaning of Popular Masses"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA)—The dear leader Comrade Kim Chong-il in his famous work "Socialism Is a Science" gave a perfect definition of the meaning of the masses of the people, the driving force of history, saying that Korean-style socialism is the most advantageous and powerful socialism based on the chuche-orientated view of and attitude toward the masses.

Comrade Kim Chong-il said:

"The masses of the people means a united social community which centres on working people, due to their common demand for independence and creative activity."

NODONG SINMUN today describes the dear leader's scientific definition of the meaning of the masses of the people as a great discovery which breaks new ground in the development of the idea and theory of socialism and an immortal exploit in providing an undying militant banner for effecting an upswing in the Korean revolution and the socialist movement as a whole.

The paper says in a by-lined article:

The idea and theory of the dear leader which gives a scientific definition of the meaning of the masses of the people as a social collective is of great theoretical and practical importance.

The definition of the meaning of the masses of the people provides a highly important guideline for the working-class party to strengthen and develop as a motherly party truly serving the masses of the people and to strictly ensure the scientific accuracy and popular nature of its lines and policies.

This idea and theory gives a scientific explanation of the basis of principle in the building of socialism centred on the masses and gives a firm guarantee to constantly strengthen and develop socialism as an invincible one based on the broadest and solidest socio-political foundation.

The dear leader's idea and theory on the meaning of the masses of the people is an indictment and a powerful ideological weapon to lay bare the anti-popular nature of the imperialists who try to conceal the class confrontation and antagonism in capitalist society with the hypocritical word "people" and the renegades of socialism who try to deceive the people with the argument of building a "society of citizens" and cover up their despicable crimes.

Kim Chong-il Sends Greetings to Centenarians

SK1111110294 Pyongyang KCNA in English 1003 GMT 11 Nov 94

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and people, sent birthday cables to Cho Pong-hwan residing in Kwangbok-tong No. 2 in Mangyongdae District, Pyongyang, on her centennial birthday and to Kim Kat-nan at Neighbourhood Unit No.291, Sinwon-up, Sinwon County, South Hwanghae Province, on her 102nd birthday.

The birthday cables imbued with loving care were conveyed to them on Thursday [10 November]

The old women born into poor peasant families could enjoy a worthy life after the liberation as masters of the country.

Old as they are, they voluntarily do work helpful to the country.

Cho Pong-hwan has now more than sixty descendants including grandsons, great-grandsons and great-great-grandsons.

Comrade Kim Chong-il, in September and October, sent birthday tables to Pak Sun-yo, an old woman residing at Neighbourhood Unit No.122, Paechon-up, Paechon County, South Hwanghae Province, on her 103rd birthday and to Choe Ok-pong, an old woman residing in Naenam-ri, Sunchon city, South Pyongan Province, on her centennial birthday.

Kim Chong-il's 'Benevolent Politics' Stressed

SK1511105994 Pyongyang KCNA in English 1027 GMT 15 Nov 94

["Benevolent Politics of WPK Is Source of Singlehearted Unity of Leader, Party and Masses"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—NODONG SINMUN today stresses that as there is the benevolent politics of the dear leader Comrade Kim Chong-il, the singlehearted unity of our leader, party and people will be further consolidated and grow mightier and our socialism based on this unity will be ever- (?victorious).

An article of the paper says Comrade Kim Chong-il in his famous work "Socialism Is a Science" stated that our party's benevolent politics is the source of the singlehearted unity of the leader, party and people. It continues:

Our party's benevolent politics is a traditional mode of politics the historical roots of which had been nursed by the great leader Comrade Kim Il-song already in the days of the anti-Japanese revolution and which was developed in depth by him with the progress of the revolution and construction. The brilliant tradition of the benevolent politics established by the respected leader Comrade Kim Il-song has been successfully carried forward and developed by dear Comrade Kim Chong-il, the great leader of our party and people. The benevolent politics of the dear leader is politics of broad-minded love and trust, which are shown to the people of all strata without discrimination.

The politics of the dear leader Comrade Kim Chong-il is politics of love. With this politics of love, our dear leader [word indistinct] spare a thousand pieces of gold for the people and never allows an act of encroaching upon their interests as regards their independence.

Our people see in the dear leader's politics of love the embrace of the affectionate father to whom they fully entrust their destiny, (?remain) loyal and filial to him, keenly feeling that they can enjoy eternal happiness holding him in his esteem and following his leadership.

The dear leader's politics is politics of trust. He regards it as an iron rule to carry out the revolution and construction, always firmly believing in the strength of people and relying upon it. This is why our people gain [word indistinct] (?strength) and courage from his trust and work world-startling [words indistinct] succession with the unshakable will, "when the party is determined, we can do anything."

The politics of the dear leader is all-embracing politics. His all-embracing politics means to educate and remold a man who has committed an error and lead him along a right path, not foresaking him and to firmly unite the people of all walks of life into [word indistinct] draw them into the struggle for socialist construction and national reunification.

Under the wise guidance of the dear leader, our party have become today a true guide and protector of the people which takes meticulous care of the destiny of the popular masses.

Indeed, the benevolent politics of the dear leader Comrade Kim Chong-il is the fundamental source which makes it possible to combine the leader with his men, the party with the people by love and trust and consistently consolidate and develop the unity and cohesion of the leader, party and people in ideology and purpose, in morality and obligation.

'Reverence' Shown for Kim Il-song at Statues

SK1511005294 Pyongyang KCNA in English 2204 GMT 14 Nov 94

["The Great Leader President Kim Il-song Will Always Be With Korean People—Deep Benevolence Shown for People's Army Soldiers"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—Four months have passed since the Korean people paid their last respects to the great leader President Kim Il-song in bitter grief at his loss.

The yearning of the people for the fatherly leader is growing deeper as days and months pass by.

Every day a large number of people call at the statues of President Kim Il-song in various parts of the country and honor his memory with deepest reverence, looking up to the tender and kind image of the fatherly leader.

Among them is hero of the republic Kim Song-chin, a general of the Korean People's Army.

He miraculously came back to life after silencing an enemy pillbox with his body during the fatherland liberation war and became a hero of the republic under the paternal love and solicitude of the great leader and still serves in the People's Army though he is above sixty.

In January, 1953, when he was in a critical condition, hit by eleven bullets of enemy's heavy machine gun, the president said that he must be saved at any cost and saw to it that a competent military surgeon took charge of his treatment and even sent precious tonics to him.

When the president met him in June that year after his complete recovery, he felt the hero's scars and bestowed fatherly love on him, saying he had fought bravely.

The president's love was not confined to one soldier of the People's Army.

In September, 1945, the president summoned Yi Hwal, who had been an airman under the Japanese imperialists' rule, and instructed him to form a flying corps, assigning him to a responsible post of the People's Army. Later, informed of his demobilisation, the president, with deep trust in him, called him back to the army and made him serve as a commanding officer at the Air Force headquarters.

He still serves in the People's Army, though he is past seventy.

The president bestowed great kindness on Pak Im-son, who was director of the oil department of the People's Army during the fatherland liberation war.

Shortly after the liberation of the country, the president had assigned him, a railway worker, to an important post of railway transport. The president recollected him in June, 1968, 17 years after his death. Saying a valuable man was gone, he instructed officials to look after Pak's family with good care.

In April, 1976, the president called at a People's Army post and acquainted himself with the life of soldiers with fatherly affection and posed for a souvenir picture with them. And then, reading the mind of a soldier on sentry duty, he posed with him for a picture.

Countless are the stories of love shown by the great leader for the People's Army soldiers. During the fatherland liberation war he went out to the forefront and told the commanding officers to supply hot boiled rice and soup to the soldiers, saying that cold was coming, and set up a frontline holiday house, and, learning that the family of a People's Army soldier remained behind the enemy line, he ordered that one regiment was sent to bring the family, and stopped over at an army dependent family on the way of on-the-spot guidance, read a letter from its son who was serving in the army and said that he would send the books requested by the soldier.

The entire soldiers of the Korean People's Army are fully determined to firmly defend the socialist country with arms, upholding Supreme Commander Comrade Kim Chong-il with loyalty, true to the behests of the great leader President Kim Il-song.

Management of Metallurgic Facilities Stressed

SK1411005594 Pyongyang MINJU CHOSON in Korean 27 Sep p 3

[Article by Han Sang-ik, director of the Ministry of Metal Industry: "An Important Problem in Properly Conducting the Management of Metallurgic Facilities"]

[FBIS Translated Text] Increasing the production of iron and steel is an important task in implementing the great leader's lifetime teaching. One of the important methods in successfully carrying out this honorary task is to properly conduct the management of metallurgic facilities.

The dear leader Comrade Kim Chong-il has pointed out: "Management of facilities must be conducted well so that accidents can be prevented in advance and production normalized."

Metallurgic facilities are a basic weapon in the production of iron and steel. Many metallurgic facilities have been established in our country's iron and steel works under the party's wise leadership, which always attaches great importance to the metal industry in socialist economic construction; their capacity is great.

The management of metallurgic facilities must be conducted properly to increase the production of iron and steel in an epoch- making manner by manifesting to the utmost the capacity of metallurgic facilities already provided.

A problem being put forth at the forefront is how functionaries are organizing this work with the correct viewpoint and attitude toward managing metallurgic facilities.

Properly managing metallurgic facilities is not simple technical and practical work. The management of metallurgic facilities is one of the important works in elucidating the great leader's and the party's leadership achievements that have been accumulated in the metal industrial sector, and in thoroughly implementing the leader's lifetime teaching.

Existing metallurgic facilities at iron and steel works are precious assets of the country that are provided by our people who have tightened their belts and have saved a paltry sum of money under the wise leadership of the great leader and the party. When this is properly managed, an endless upsurge can be achieved in the production of iron and steel in accordance with the leader's will when he was alive and with the party's intention.

Functionaries of the metal industry sector must have a deep understanding of the importance and significance of properly managing metallurgic facilities at present, and must firmly adhere to this work as one of the important links in increasing the production of iron and steel.

If the management of metallurgic facilities is to be conducted properly, the broad masses must be actively brought together into this work.

Our party's consistent demand is to change the managing of these facilities into the work of the masses themselves; this is being put forth as a more urgent issue in managing metallurgic facilities. Generally, metallurgic facilities are large facilities. Therefore, the target for management is enormous and complicated, and the amount of work related to the management of these facilities is enormous. From this kind of situation, the broad masses must take part in successfully conducting the management of metallurgic facilities.

To widely involve the masses in the management of metallurgic facilities, political work must be carried out substantially so that all members of the working class of the metallurgic facilities can possess a high awareness that they are the master of the metallurgic facilities. What is very important here is to correctly embody the party's lofty will as permeated in the "No. 26 lathe."

Correctly operating the examination and inspection of the iron and steel works is an important opportunity in enhancing the masses' interest in the management of metallurgic facilities. If the examination and inspection of the iron and steel works are to be correctly operated, the functionaries must take the initiative and stand in the forefront to organize this work in a responsible and planned manner, and must properly carry out preparation work, such as being equipped with tools and measuring machines.

The examination and inspection of metallurgic facilities is an opportunity to highly manifest the masses' interest and trait of being the master in the management of facilities of metal industrial plants. Here, it is important to properly handle the result of examinations and inspections. The functionaries must generalize the positive material and exemplary facts captured in the process of the examination and inspection of metallurgic facilities by correctly combining the political and moral incentive with the material incentive, with the former as the first consideration, when abolishing lacking points and deviations. Thus, work must be carried out to further enhance the masses' enthusiasm to manage metallurgic facilities.

Carrying out the repair work of metallurgic facilities at an appropriate time and in a qualitative way is an important demand in the management of the facilities of the iron and steel works.

Most metallurgic facilities are generally operated at a high temperature of over 1,000 degrees, and there are many cases when processing is carried out continuously. If these metallurgic facilities stop during operation because repair work was not carried out properly and at the appropriate time, there will be enormous problems in the overall production of iron and steel. Therefore, the problem of observing the period for repairing metallurgic facilities and guaranteeing quality are being put forth as especially important demands.

Preparatory work must be carried out well first if metallurgic facilities are to be repaired at the appropriate time and in a qualitative way. The basis in preparatory work is to carry out an evaluation of the metallurgic facilities and provide materials for repairs and spare parts.

The basis in evaluating metallurgic facilities is setting up a maintenance period according to the interval of repairs, efforts demanded in repairs, and material and technical calculation. Also, securing materials and spare parts is an important condition in observing the repair period.

If the evaluation of metallurgic facilities is to be carried out accurately, the related functionaries, including the chief engineer of the steel works, must collectively examine each one of the facilities according to its contents and must systemize the work to record its condition in the facility recording book. By doing so, plans for repair work can be established on whether it should be repaired by the iron works or whether it should be repaired through the state level.

What is important in securing materials and spare parts is to enhance the role and responsibility of the material department so that the materials and spare parts used in the repair work can be obtained at the appropriate time. It is also important to process in advance spare parts by operating the repair and maintenance shop at full capacity.

Based on carrying out preparatory work first, the repair work of the metallurgic facilities must be promoted according to a general plan. By doing so, if repair work is to be carried out at the appropriate time and in a qualitative way, the command and technology guidance of the repair battle must be carried out skillfully.

The repair work of metallurgic facilities is by no means a simple matter. An enormous amount of investment and advanced science and technology and modern technological means is required.

This kind of situation demands that special attention be turned to the repair work of metallurgic facilities, and this demand must be realized so effectiveness in investment can be enhanced and great results can be achieved in the production of iron and steel. Importantly, this is a guarantee according to the skilled command and technology guidance of the repair work.

If command in the repair work of the metallurgic facilities is to be carried out well, repair work must be pushed ahead militarily under a scrupulous operation. The commanding members of the repair work must frequently go to the repair sites to establish measures according to the situation in a mobilized way and provide at the appropriate time the command and reassignment of the repair work and intermediate summing up so that there will no gap in the slightest. The basis in technology guidance is enhancing the quality of the repair work and much interest must be turned to changing and assembling the spare parts according to the demand of the blueprint and facility recording book. Also, examination of the repair work according to its process and examination when it is finished must be carried out well.

Strengthening the supervision and control work of the management of the metallurgic facilities is one of the important guarantees on whether results will be achieved in the management of metallurgic facilities.

The department of the management of the facilities at the iron and steel works have important duties in the supervision and control of the management of metallurgic facilities.

In this department, all work related to the management of the facilities from abiding by the intervals for repairing metallurgic facilities; securing spare parts; and ensuring the qualitative level of the repair work, to general examination work and work of tightening bolts and changing oil must be seized without any omission, and demand must be enhanced so that regulations and bylaws will be strictly abided.

An enormous amount of iron and steel can be increasingly produced if the management of metallurgic facilities is carried out properly.

The metal industry sector must exert great efforts in improving and strengthening the management of metallurgic facilities in accordance with the practical demand so that greater results can be achieved in the production of iron and steel in an epoch-making way in accordance with the great leader's will when he was alive and the party's intention.

South Korea

Han, Japanese Foreign Minister Discuss Reactors

SK1211005694 Seoul YONHAP in English 0047 GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 12 (YONHAP)—South Korean Foreign Minister Han Sung-chu and his Japanese counterpart Yohei Kono met here Friday evening to discuss financial burden-sharing and operation of an international consortium providing North Korea with light-water reactors.

Han, who arrived in Indonesia Friday to attend the Asia-Pacific Economic Cooperation (APEC) ministerial conference, explained to Kono the outcome of his meeting last Wednesday with U.S. Secretary of State Warren Christopher and exchanged views on trilateral cooperation among South Korea, Japan and the United States vis-a-vis North Korea.

The meeting, taking place at Kono's request prior to his talks with Christopher on Saturday, lasted for one hour and 20 minutes amid "a very sincere" atmosphere.

Han told reporters afterward: "We evaluated the U.S.-North Korea agreement and discussed what respective roles we should play in its implementation. Reconfirming our intention to support the light-water reactor project, we agreed to maintain close consultation over the issue.

"We discussed ways of bilateral consultation and cooperation on the formation of an international consortium to provide the North with light-water reactor technology. Details will be taken up by working-level officials of the two countries."

The two foreign ministers discussed the formation and operation of the international consortium, dubbed the Korea Energy Development Organization (KEDO), and financial burden-sharing, a government official said. They also confirmed that a South Korean model of light-water reactor should be supplied to the North, and that the South should play a central role in providing the reactors and in KEDO operations.

Moreover, they touched on Tokyo's move toward talks on diplomatic normalization with North Korea including a visit to Pyongyang by a Japanese party delegation, and the latest developments on the Korean peninsula and in Northeast Asia following the nuclear agreement reached last month between North Korea and the United States. Formulas for replacing the Korean armistice system with a peace treaty and a multilateral Northeast Asian security setup were also addressed.

The foreign ministers' meeting was attended by South Korean nuclear ambassador Kim Sam-hoon.

U.S. Representative Remarks on Nuclear Issue

SK1411114094 Seoul YONHAP in English 1125 GMT 14 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP)—Kim Chang-chun, a Korea-born U.S. House representative, said here Monday there should be an amendment to the Geneva U.S.-North Korea agreement.

In a press conference at Kimpo Airport upon his arrival here, Kim (R.-California) said it is not right to postpone nuclear inspections of North Korea until the completion of light-water reactors five years later.

"The matter should be negotiated anew so that IAEA (International Atomic Energy Agency) inspectors could enter North Korea and inspect nuclear facilities there right away," Kim said.

The American lawmaker, who was re-elected in the recent elections, was visiting Korea at the invitation of National Assembly speaker Hwang Nak-chu.

It is desirable that the United States now gets out of the Korean issues and let South and North Korea resolve them through their direct talks, Kim said.

He said he expects he would join the House Asia-Pacific Subcommittee as he is the only Asian-American among the Republican lawmakers who have emerged as the majority in the U.S. Congress in the recent elections.

Rep. Kim's official stay will be through Saturday and he will leave the country on Nov. 27.

O Chin-u Said To Undergo Radiological Treatment

SK1511011694 Seoul YONHAP in English 0045 GMT 15 Nov 94

[FBIS Transcribed Text] Paris, Nov. 14 (YONHAP)—O Chin-u, North Korea's No. 2 man who arrived in Paris Oct. 25, underwent radiological and medication treatment last week and doctors are waiting to see if his condition improves, a diplomatic source here said Monday.

Throughout last week, the minister of the North Korean People's Armed Forces was treated at a Paris hospital by lung cancer specialists. The source said the specialists have finished treating O and will be watching him for another one or two weeks.

It is not yet known how serious O's lung cancer is.

The source said that O's visa will expire at month's end and that he will probably return to Pyongyang as soon as his doctors make a final diagnosis.

O is staying at the North Korean Mission to the United Nations Educational, Scientific and Cultural Organization in Paris.

The military chief was diagnosed as having lung cancer at Laennec Hospital, and was then moved to another Paris hospital to receive treatment. He is not expected to undergo an operation, the source said.

Seoul To Allow KPIDA To Set Up Office

SK1511130694 Seoul YONHAP in English 1229 GMT 15 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP)—The government will allow North Korea to set up an office in Seoul of the Koryo People's Industrial Development Association (KPIDA), an organization under the umbrella of the Administration Council (cabinet) responsible for contact with South Korea on economic cooperation, if it so wants, a government official said Tuesday.

But the business of the KPIDA's Seoul office will be limited to the matters related to economic cooperation, such as inviting South Korean firms to invest and launch demonstration projects in the North.

The official, noting the government will shortly allow companies to open their offices in North Korea, said North Korea can open its business offices in the South reciprocally.

The KPIDA is known to have been set up under the direct control of the Administration Council as the sole point of contact with South Korea on economic cooperation and, strictly speaking, it is a government agency.

But the government will positively consider allowing it open an office in Seoul, if it wants to, he remarked.

For the KPIDA to open its office in Seoul, however, there should be a corresponding progress in inter-Korean relations, he stressed, adding the office's business in the South should be limited to matters related to economic cooperation.

The KPIDA now is making contacts with South Korean businessmen chiefly though its Beijing office.

Reasons for North's Rejection of Proposal Viewed

SK1111124194

[FBIS Editorial Report] The following is a compilation of an editorial and an article published in the ROK vernacular daily CHUNGANG ILBO on 11 November regarding Pyongyang's rejection of Seoul's proposal for economic cooperation.

CHUNGANG ILBO carries on page 3 a 700-word editorial expressing "disappointment and disillusion at the unjustifiable reasons North Korea adduced for rejecting our proposal, and at its unreasonable denunciation of the South."

Referring to North Korea's recent frequent contacts with ROK businessmen, the editorial notes: "North Korea's position and strategy is that it will invite South Korean enterprises while estranging our government."

The editorial then stresses that "North Korea is making a major mistake if it believes individual invitations of South Korean businessmen will bring economic profits," noting "the large scale investments and technological exchanges North Korea truly needs will not be possible without government-level contact between South and North Korea."

The editorial concludes by encouraging the government not to retreat in its policy, and to carefully cope with North Korea's "political approach toward economic issues" without hesitation.

CHUNGANG ILBO also carries on page 5 a 1,000-word article by reporter Kim Chin-kuk on the government's position regarding North Korea's rejection of the south's proposal to resume economic cooperation, and on the reasons for the North's rejection. The article reports: "Though it had anticipated North Korea's negative reaction, the ROK Government was very embarrassed by North Korea's harsh denunciation of the South's kind smile of reconciliation."

Regarding the government's position on Pyongyang's rejection of its proposal, the article reports the government has decided to "ignore North Korea's attitude and adhere to its policy." It also reports that Ku Pon-tae, director of the Reunification Policy Division of the National Unification Board [NUB], stated: "Because the government's proposal was a unilateral measure, not based on the assumption of North Korea's consent, the North's rejection will not influence government policy on South-North economic cooperation."

The article analyzes that the North rejected the South's proposal probably because the North is worried about a rapid, beyond-its- control expansion of South-North economic cooperation; because it feels it is necessary to further watch the South's attitude; or because it is difficult for the North to suddenly change its attitude of constantly denouncing the South. The article concludes by quoting NUB spokesman Kim Kyong-ung: "Although it will assume a double position for a while, North Korea will enter into contacts and consultations with our authorities after all."

N-S Communications Agreement Said Priority

SK1111073294 Seoul TONG-A ILBO in Korean 11 Nov 94 p 1

[FBIS Translated Text] In the wake of the steps being taken to vitalize North-South economic cooperation, it was learned on 10 November that the government will definitely give priority to signing an agreement on inter-Korean telephone and telegraphic communications in preparation for the establishment of ROK businesses branch offices in Pyongyang and the increasing demand for communications between branch offices in Pyongyang and headquarters in Seoul.

The main points of the agreement that will be encouraged by the government include communications via Panmunjom, the guarantee of secret communications, non-use of communications for military or political purposes, and the exchange of information and technical cooperation necessary for communications.

For the conclusion of the agreement, the government plans to ink agreements on "guarantee of North-South investments" and "prevention of double taxation" along with the agreement on telephone and telegraphic communications as soon as a joint committee for North-South economic cooperation begins its operation.

However, it was learned that the government framed a plan to deal with noneconomic issues, such as the exchange of letters and phone calls between separated families in the North and South, after the agreement on telephone and telegraphic communications is signed because North Korea is sure to turn down the South's offer on the communications exchange in noneconomic fields.

In addition, before the agreement is concluded, the government plans to let ROK businessmen, technicians, and businesses contact headquarters in Seoul via third countries.

A high-level government official said "now that the exchange of human resources and goods will be vitalized between the North and the South, the demand for direct communications are expected to surge," and added that "such being the case, we can no longer delay the signing of the telephone and telegraphic communications agreement."

The official said "The humanitarian-level telephone and telegraphic communications, such as those between separated families in the North and South, will be actively pushed ahead along with the exchange of communications in the economic field. However, it is almost certain that North Korea will reject this offer."

Deputy Premier Speaks on N-S Cooperation Issue

SK1511070894 Seoul YONHAP in English 0522 GMT 15 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP)—Deputy Premier and National Unification Minister Yi Hong-ku said Tuesday the government will proceed with inter-Korean economic cooperation calmly and gradually in pace with progress in South-North dialogue and overall relations.

Yi cautioned against excessive expectations and hastiness in seeking inter-Korean economic cooperation in a keynote speech to a meeting of the Korean Broadcasting Reporters Club at the 63 Building in Yoido, Seoul.

He said that in order to activiate inter-Korean economic cooperation, a Seoul-Pyongyang agreement is essential to provide an institutional guarantee.

"In particular, the future of cooperation depends on how the U.S.-North Korean accord in Geneva is implemented," he emphasized.

Yi revealed that top priority for Seoul-Pyongyang cooperation will be placed on working out a basic framework ensuring personal safety of mutual visits, investment guarantees and avoidance of dual taxation.

With regard to Pyongyang's demand that Seoul scrap its National Security Law, Yi declared: "It is absurd to demand the law's repeal and repatriation of long-term prisoners as preconditions for economic cooperation."

He stressed that economic cooperation cannot be related to any political aims.

Asserting that South and North Korea should build an economic community as soon as possible for balanced development of the national economy and to improve the welfare of all Koreans, Yi urged the North to abandon its slander and tension-building policies.

North Reportedly Increases Najin-Sonbong Expenses

SK1311050594 Seoul CHUNGANG ILBO in Korean 13 Nov 94 p 2

[Report by Choe Won-ki]

[FBIS Translated Text] At a time when ROK companies are seeking to advance into North Korea since the government's 8 November decision to resume North-South economic cooperation, North Korea has reportedly increased land development expenses in the Najin-Sonbong free economic and trade region by 100 percent.

A business source who has recently returned home after visiting North Korea said on 12 November: "North Korea's State External Economic Affairs Commission (chairman Yi Song-tae) convened a special meeting on 26 October and decided to increase land development expenses for foreign investors by 100 percent."

Details of price increases have not yet been confirmed. However, rough estimates are $119 per square meter for hotels and other commercial facilities, $109 per square meter for residential areas, and $100 per square meter for plant sites. North Korea reportedly has not increased rent for land.

Section 88 of the Land Lease Law, which the North Korean Administration Council released in July last year in connection with the Najin-Sonbong region, stipulates that it will receive rent and land development expenses.

The section notes that rents are fees for the use of land and land development expenses are fees for the use of roads, communications facilities, electricity, running water and the sewage system, and other social infrastructures.

ROK companies are reacting cautiously to this measure.

A pertinent businessman said: "It has not been confirmed if the decision by the North Korean State External Economic Affairs Commission applies to foreign companies only or domestic companies, as well." He added: "We have to wait and see."

The Najin-Sonbong region is a 1,000-square km free economic and trade zone that was established on the Chinese and Russian border area in northern North Hamgyong Province by North Korean Administration Council Decision No. 74 dated November 1991.

Prospects of N-S Economic Cooperation Analyzed

SK1111001094 Seoul CHUNGANG ILBO in Korean 10 Nov 94 p 4

[Article by reporter Choe Won-ki: "Era of North-South Economic Cooperation"]

[FBIS Translated Text] The success of North-South economic cooperation will depend on how free such cooperation will be from the ever-changing tides of Seoul-Pyongyang politics.

This is because North-South economic cooperation, which started with the first-ever North-South economic talks in November 1984, has been an issue subordinated to politics and not an economic one.

North-South economic cooperation must be pursued in two stages:

In the first stage, North and South Korea must expand economic cooperation, which now centers on processing on commission, into direct trade and investments.

Toward this end, North and South Korea must hold Joint Economic Committee meetings to open direct air routes, open settlement accounts, and sign a double taxation avoidance agreement.

If North-South economic cooperation is promoted smoothly in the first stage, the North and South must pursue economic cooperation in earnest in the second stage.

North and South Korea will link the severed railway lines and roads and reconnect North-South infrastructures and extensively expand North-South economic collaboration. As a result, North and South Korea will become a single economic community.

The problem will be North-South political relations.

The past 10 years show that North-South economic cooperation has been subordinated to the Seoul-Pyongyang power game. As a result, the status of North-South economic cooperation has not changed for the past 10 years.

The current economic cooperation situation bears a close resemblance to that of 1989. President No Tae-u declared in July 1988 that the door to North-South trade would open. Business circles moved quickly at such a signal by the political circles.

Hyundai Group Chairman Chong Chu-yong visited North Korea in January 1989 and won contracts for developing Mt. Kumgang. Following this, Kolon Corporation opened letters of credit in July 1989, Daewoo Group Chairman Kim U-chung visited North Korea in January 1992, and a businessmen's team visited North Korea in January 1992 to inspect the Nampo industrial estate.

However, all of this stopped in October 1992. This was because the government stopped North-South economic cooperation in connection with the Workers Party of South Korea incident. North-South economic cooperation has not been promoted in earnest since then.

Domestic business companies have been busy trying to establish ties with North Korea since the government's 8 November announcement on resuming North-South economic cooperation.

In a word, North and South Korea wasted six valuable years, during which they could have consolidated a basis for building a North-South economic community, because they linked economic cooperation with North-South political relations.

Experts say: It is important for North and South Korea to thoroughly apply economic logic to economic cooperation.

They also say: South Korea wants to use economic cooperation as a leverage in relations with North Korea, and even a single dollar is important to North Korea. However, both North Korea and South Korea must refrain from using economic cooperation as a political card.

They went on to say: If economic cooperation is promoted smoothly, political relations will improve naturally.

They further said: North and South Korea must know that no progress has been made in the political and economic fields because they have given priority to political relations.

Yi Ho-chae, professor of Korea University, said: "It was an appropriate measure for the government to de-link, though belatedly, the nuclear problem and economic cooperation." He added: "Politicians who have wasted the national power in arguments and criticisms while stressing only reunification must step back and remain silent." He also stressed that the promotion of economic cooperation must be based on economic logic.

N-S Commodity Exchanges Rise 3.8 Percent in Oct

SK1111103894 Seoul YONHAP in English 1024 GMT 11 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP)—Commodity exchanges between South and North Korea in October totaled 16.04 million dollars in 84 cases, an increase of 3.8 percent over the previous month on an approval basis.

A report of the National Unification Board said on Friday [11 November] the October total represents a decline of 8.4 percent from the same month of last year.

The total breaks down to 2,510,000 dollars in shipment to the North in 30 cases and 13,530,000 dollars in introduction from the North, up 31.6 percent and 0.3 percent, respectively, over September.

A board official said a decline in inter-Korean commodity exchanges in October from a year before was attributed to a momentary sluggishness prompted by the death of Kim Il-song.

Government on Control of Business Visits to North

SK1111120294 Seoul HANGUK ILBO in Korean 11 Nov 94 p 2

[FBIS Translated Text] On 10 November, a relevant National Unification Board [NUB] official said the government will approve visits only of those businessmen whose safe return to the South and whose personal safety are explicitly guaranteed in the written invitation from North Korea. Thus, the government intends to strictly apply the standard of approval to businessmen's visits to North Korea.

As a result, it is likely that most of the 40 business firms that have already received invitations from North Korea will have to renegotiate with North Korea over the invitations.

The government plans to approve on a case-by-case basis the issuance of certificates of permission to visit North Korea and model projects only after the agreement is unanimously reached by the consultative conference for promoting North-South trade and cooperation where all relevant government offices, including the NUB, participate.

NUB authorities stated: "The practical effect of North Korean letters of invitation can be recognized only when relevant North Korean authorities clearly stipulate in the letters the safe return and personal safety of all invited persons; letters of invitation which meet this condition number only four or five among the 40 odd invitations North Korea has sent so far."

The government will use various steps—including customs clearance as well as control of the remittance of money and the re- issuance of certificates permitting these visits—if business firms attempt to push ahead with a project in North Korea on a scale larger than already approved.

Meanwhile, the government has postponed a consultative conference for promoting North-South exchange and cooperation that was originally scheduled for 12 November in order to work out working regulations and guidelines concerning North-South economic cooperation projects.

Businessmen, DPRK Official Discuss Investment

SK1211014794 Seoul YONHAP in English 0103 GMT 12 Nov 94

[FBIS Transcribed Text] Beijing, Nov. 12 (YONHAP)—Two South Korean business tycoons have reportedly visited China to meet with North Korean officials on economic cooperation since President Kim Yong-sam announced that companies would be allowed to invest in the North, sources said Friday.

Daewoo Group Chairman Kim U-chung and Kohap Group Chairman Chang Chi-hyok met with Yi Song-nok, chairman of the Koryo Industrial Development Council of North Korea, at restaurants here, according to the sources.

Kim U-chung and Yi allegedly discussed operation of a textile factory in Nampo, while Chang met with Yi to talk about establishing a polyester filament plant in the Najin-Sonbong free economic and trade zone.

Yi arrived in Beijing on Nov. 8, a day after Seoul announced measures to spur inter-Korean economic cooperation, aboard Air Koryo Flight JS 151 and met with the tycoons secretly to discuss advancement by South Korean businesses into North Korea.

Daewoo and Kohap have sold materials for textile goods including clothes and jackets and bought end goods in processing-on-commission trade with North Korea for some years.

Meanwhile, Daewoo denied that Kim had visited Beijing.

A spokesman for the Daewoo Group in Seoul said, "Chairman Kim U- chung has never been to Beijing between Nov. 7 and 9. Kim has never met with Yi Song-nok or any North Korean officials."

He admitted that Kim left Seoul on Nov. 7 and visited China until Nov. 9 but that he kept staying in Shanghai during the period to attend a seminar hosted by the forum of advisers for the development of Shanghai city.

Subsidiaries' Purchasing North Certificates Viewed

SK1511113894 Seoul THE KOREA TIMES in English 15 Nov 94 p 9

[FBIS Transcribed Text] Legal differences over whether overseas subsidiaries of Korean firms are able to buy North Korean debt certificates or not, is emerging as a hot issue these days.

Many Korean firms hoping to initiate or open trade with North Korea are said to be showing a keen interest in buying part of the 750-850 million dollars worth of North Korean debt at a discount outside Korea.

These Korean firms want to use the "cheap" North Korean debt instruments, which Western creditor banks issued in the 1980s to recoup part of their loan loss of 1,800 million dollars to North Korea, in investing in North Korea.

But under the Korean Foreign Exchange Management Act, approval is necessary for Korean firms to buy them.

To bypass the Korean law, these Korean firms are moving to have their overseas subsidiaries study ways of buying Pyongyang's debt certificates.

Western lawyers say the overseas subsidiaries of Korean firms are "foreign firms" legally and thus are not subject to the Korean Foreign Exchange Management Act. Thus they can buy North Korea's debt instruments.

But in Korea where the "spirit" rather than the "wording" of the law is respected, Korean firms are hesitating in having their overseas subsidiaries buy such North Korean debts.

A foreign banker quoted a Korean company executive as saying, "We do not want to anger regulators and government officials." But he noted this is a gray area in the Foreign Exchange Management Act.

With the expectation running high that Pyongyang may adopt an open door economic policy, the prices of North Korean debt instruments are rising in the international financial market.

London bankers said the debt certificates are priced at 26-27 percent of their face value, far higher than the 9-12 percent in 1993 and 15-16 percent in January this year, according to ING Bank officials.

Speculators are said to be accumulating the North Korean debts out of an expectation that their prices will rice further if North Korea is opened to the outside world.

North Korea must repay its foreign debts if it really wants to become a member of international organizations, including the Asian Development Bank, to borrow money from the World Bank or the ADB.

Western banks, including ING Bank and Australia-New Zealand Bank, have issued the debt certificates in an attempt to recover some of the money they lent to North Korea, however small.

A Ministry of Finance official said, "The North Korean debts have fluctuated in price depending on Pyongyang's attitude."

Exchange Bank Pursues Transactions With North

SK1511043494 Seoul HANGUK ILBO in Korean 15 Nov 94 p 11

[FBIS Translated Text] On 14 November, the Korea Exchange Bank [KEB] made public that it would earnestly push ahead with the question of concluding contracts on exchange transactions with North Korean banks. To this end, the KEB has established a team for South-North Economic Cooperation (leader: Managing Director Cho Song-chin) under the direct supervision of the KEB president. The KEB is also planning to file an application with the National Unification Board for conducting contacts with the North with a view to materializing such exchange transactions.

If contracts are concluded between the KEB and North Korean banks, it will be possible for those concerned to obtain payment guarantees from pertinent banks and to carry out trade dealings by remitting money to and from North Korea and by opening letters of credit, without depending upon banks in a third country. If contracts on exchange transactions materialize, North Korea's Muyok [Trade] Bank or the Taesong Bank are seen as strong candidates for becoming KEB's counterpart.

Since the government made public its policy of implementing South-North economic cooperation, ROK enterprises have only been actively trying to advance into the North in the field of exchange of goods. This was the first time ever that a financial institution disclosed a detailed plan for supporting the policy of economic cooperation. With the KEB's official declaration to materialize the exchange transactions as momentum, other banks are also expected to engage more actively in making contacts with the North.

In the meanwhile, the KEB has also decided to implement an open account [chongsan kyejong], in the belief that there is a high likelihood that future South-North economic exchanges will be conducted in the form of future transactions [chongsan korae] (this is a method of having open accounts at the banks in both sides and settling only the difference of money accrued in transactions conducted during a certain period of time), as East and West Germany did in the past. The KEB also made clear that in accordance with the progress of the South-North economic cooperation, it would positively consider the issue of opening a branch office in North Korea.

North Junk Bond Prices Up Since Nuclear Accord

SK1411112594 Seoul CHUNGANG ILBO in Korean 14 Nov 94 p 1

[By reporters Kim Chong-su and Kim Hyong-ki]

[FBIS Translated Text] Prices of junk bonds, which North Korea issued to Western banks but has failed to reimburse, have been increasing as expectations have risen for North Korea's opening up.

A business circle source in London, where the transactions for North Korean junk bonds are made, said on 13 November: Prices of North Korean junk bonds had dropped to 9 percent of their face value. However, they have jumped to 26 to 27 percent since the DPRK-U.S. nuclear negotiations were concluded and the ROK Government announced the resumption of North-South economic cooperation.

Prices reportedly have soared because speculative demand for North Korean junk bonds has risen and because ROK companies have been buying them to hold the upper hand in North-South economic cooperation to prepare for North Korea's opening up. In connection with this, an official of the group of creditor banks said: "I have learned that some ROK companies bought approximately $100 million in North Korean junk bonds through their subsidiary financial institutions."

The group of creditor banks rescheduled the repayment of the North Korean junk bonds, which are now being transacted, in 1977. They were worth $850 million at that time. As North Korea became insolvent because of the shortages of foreign exchange, the sum with interest added now amounts to $1.8 billion. Prices of North Korean junk bonds dropped to 9 to 12 percent of their face values in early 1993, when the North-South dialogue deadlocked; rose to 15 to 16 percent this January, when North Korea and the United States started nuclear negotiations; and rose again to 26 percent in February and March.

Prices plummeted to 18 percent in April, when the North Korean nuclear problem was reaching a crisis, and rose again to 27 percent this time. Prices are closely linked to the situation on the Korean peninsula.

North Korean junk bonds are expected to rise again when North Korea shows signs of opening up and when North-South economic cooperation makes substantial progress. However, Kim Chong-chang, a financial officer at the ROK Embassy in Great Britain, said: "In case North Korea reimburses the bonds, holders of the bonds will divide the reimbursed amount by the ratio of bonds each holder has. However, at present, the possibility is practically nil that North Korea will reimburse the bonds. Therefore, it is difficult to expect any immediate gains from the bonds, except for profits from price differences.

Woosung Group Plans To Build Hotel in DPRK

SK1111064994 Seoul YONHAP in English 0608 GMT 11 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP)—The Woosung Business Group plans to advance into North Korea in the tire and textile manufacturing sectors as well as tourism.

"To that end, we will form a team to visit the North next week and submit an application for the visit," Woosung Vice Chairman Choe Song-chin said Friday.

He added that the group hopes to construct a hotel at Kumkangsan (Mt. Diamond) as one tourism development project and wants its manufacturing affiliates—Woosung Tire Co. and Woosung Textile Co.—to get a foothold in the Najin-Sonbong free trade zone.

"We've already received a positive response from the North and finished a feasibility study on our business," Choe said.

Lucky-Goldstar Plans To Advance Into DPRK

SK1511130494 Seoul CHUNGANG ILBO in Korean 15 Nov 94 p 30

[Article by reporter Yi Chung-ku]

[FBIS Translated Text] Lucky-Goldstar [LG] is implementing a multi-stage, diversified strategy to steadily and activly advance into the North. In the initial stage, LG will undertake processing-on-commission trade for daily necessities which have great demand and are priced low, and then increase the grade and diversify the type of goods.

The actual result LG attained in the processing-on-commission trade this year is expected to amount to $5.5 million in clothing such as overalls, casual wear, and jackets. Based on the experience attained in this undertaking, LG is planning to have small- and medium-size industries join it in its advance into the North.

As of 14 November, LG secured some 300 small- and medium-size industries wishing to advance into the North with LG. The 300 industries encompass a wide range of businesses, such as textiles, apparel, stationery, foodstuffs, footwear, animal feeds, construction materials, paper, and dyeing. LG is planning to have parts suppliers for electric and electronic appliances, such as telephones and electric rice cookers, join the advance.

In the electric and electronic appliances area, LG is pushing ahead with the advance by the suppliers of the parts and casings necessary for the production of telephones, electric rice cooker, and cassette tapes. As for finished goods, such as TV's and VCR's, for the time being LG will keep up with the pattern of shipping them through Chinese areas, such as Harbin and Dalian. LG has shipped some 4,000 color TV sets to North Korea so far. An LG official said: As seen from the North Korean rejection of economic cooperation offered by the South last week, the timetable for economic cooperation can be postponed. Therefore, we have decided to begin with the processing trade, which is less affected by changes in the situation.

LG is considering moving its production base from China to North Korea as an alternative in case the electric and electronic appliances business pushed ahead in China runs into difficulties.

LG is considering expanding the current processing-on-commission trade production apparel lines from overalls-type garments to higher-priced goods, such as men's suits and women's wear. By increasing their production, LG may even consider exporting them to a third country. As an attack-in-waves strategy in advancing into the North, LG is pushing ahead with a "demonstration project" by wholly owned or joint venture investment in the production of daily necessities such as soap, polyvinyl chloride (PVC) floor sheeting, and pharmaceuticals. LG also has a plan to improve and repair the facilities in North Korea to improve the quality of goods processed there. LG has organized manpower to dispatch to the North and is training them on life and customs in major North Korean cities so that they can be activated promptly if inter-Korean cooperation progresses. The amount of goods imported from the North from the beginning of 1993 through this October totalled $57.8 million and included as steel, electrozinc, gold, and silver. The goods LG exported to North Korea from the beginning of 1992 through this October amounted to $7.6 million worth of low degree polyethylene (LDPE) and LDPE film.

As a medium- and long-range plan, LG is considering advancing into such areas as investment in the oil refining and petrochemical business; development of natural resources such as gold, zinc ore, and iron ore; tourism; infrastructure construction, such as railways, industrial complexes, ports and harbors; and communications and home electronics such as TDX (time division exchange) and computers.

Status of DPRK's Light Industry Analyzed

SK1111122794 Seoul MUNHWA ILBO in Korean 11 Nov 94 p 21

[FBIS Translated Text] The government has decided to guarantee exemplary first-stage South-North cooperation projects in such manufacturing fields as dressmaking, stuffed toys, socks, foodstuffs, and goods necessary for life. Thus, attention is focusing on the status of North Korea's light industry.

In 1984, North Korea carried out the "3 August movement of mass consumption goods" under the initiation of Kim Chong-il to solve the problem of clothing, food, and shelter. North Korea designated 1989 the "year of light industry." In June 1989, at the 16th plenary meeting of the sixth party Central Committee, a three-year plan (1989-1991) to develop light industry was put forth.

Currently in North Korea, most daily necessities are being produced at small local plants, except for textiles, paper, and shoes. Some light industry joint ventures built in the mid-1980's are in charge of producing export goods. Textile [subhead]

The textile industry occupies the most weight in North Korea's light industry. Compared with other industrial sectors, it has seen considerable development. The main items in textile production are vinalon, a chemical fiber, and a staple fiber. As a substitute for the lack of natural textiles, it has concentrated on developing and producing chemical textiles such as vinalon, the raw material of which is limestone and anthracite, and staple fiber, the raw material of which is reed and lumber.

The major chemical textile plants in North Korea are the 8 February Vinalon Plant in Hamhung; the Chongjin Chemical Textile Plant; the Sinuiju Chemical Textile Plant; the Youth Chemical Plant in Anju, South Pyongan Province; and the Sunchon Vinalon Plant.

It has been assumed that North Korea's textile productive capacity would total 177,000 tonnes annually in 1991, but its actual production output for 1992 was only 42,000 tonnes. Woven Goods[subhead]

North Korea planned to modernize its existing facilities in the textile sector to produce a total of one billion meters of woven goods, 50 meters of woven goods per person. North Korea's productive capacity of woven goods was estimated at 700 million meters annually in 1993. However, only 170 million meters of woven goods were produced in 1992.

The major plants producing woven goods are in Kanggye, Hamhung, and Kaesong.

High-speed equipment for woven goods was introduced in the late 1980's, making it possible to achieve a large productive capacity. Sweaters, underwear, mufflers, and sports clothes are being produced at the Kangso Woven Goods Plant. Clothes [subhead]

Clothes are being produced at production plants in each region. People in each region maintain a self-production and supply system. However, production technology and facilities are outworn, and production goods are at a simple level. In particular, basic clothing is being distributed through the ration system.

After the enactment of the Joint Venture Law in September 1984, ready-made clothes, shirts, and jumpers were produced on a large scale through joint venture projects with businessmen from the pro- Pyongyang Federation of Korean Residents in Japan.

In particular, the Pyongyang Garment Joint Venture Company, the Kaesong Clothing Joint Venture Company, and a three-part union joint venture company in Choson have been established since 1992. The number of joint venture companies in the clothing sector is increasing considerably as compared with other sectors.

PRC Reportedly Dissatisfied With DPRK Reform

SK1511020494 Seoul SEOUL SINMUN in Korean 15 Nov 94 p 7

[DPA YONHAP report from Beijing]

[FBIS Translated Text] Even though the PRC formally claims that it will continue the "eternal friendship" with North Korea, PRC Government officials are increasingly voicing complaints because North Korea is refusing the PRC model of economic reform.

Those who want the friendship with North Korea to last are limited to some PRC military hard-liners while government officials are gradually becoming aversive to North Korea.

An anonymous Western diplomat in Beijing said: The PRC is feeling disappointed that North Korea is not showing any changes. Fearing that the North Korean system may collapse, the PRC, the largest trading country with North Korea, is "reluctantly" providing aid to North Korea.

The PRC Foreign Ministry also said that the influence the PRC may exercise over North Korea is very limited and warned of the consequences of the collapse of the North Korean establishment.

Another diplomat, who recently visited North Korea for a meeting, said: North Korea has become a very uncomfortable partner to the PRC as the PRC fears the possession of nuclear weapons by a neighboring country.

Chochongnyon Money to DPRK Reportedly Down

SK1511030594 Seoul SEOUL SINMUN in Korean 15 Nov 94 p 2

[By reporter Pak Chae-pom]

[FBIS Translated Text] The amount of money remitted to North Korea by Koreans in Japan affiliated to the pro-Pyongyang federation of Korean residents in Japan [Chochongnyon] has decreased considerably since Kim Il-song's death. There is speculation that this may be an expression of dissatisfaction over Kim Chong-il's succession of power by the overseas pro-Pyongyang organization.

A government authority revealed on 14 November: "A Japanese intelligence authority who recently visited the ROK revealed that it has been confirmed that since Kim Il-song's death, the amount of foreign currency being sent to North Korean by Koreans in Japan affiliated to Chochongnyon has decreased greatly."

The Japanese side explained the situation regarding the remittance of money to North Korea at the ROK-Japan meeting on military related issues held on 9 November in Seoul, but the exact amount of money being remitted to North Korea by Chochongnyon was not revealed.

The government authority added: "If the amount being remitted to North Korea by Chochongnyon has decreased as considerably as the Japanese side has claimed, North Korea's economic situation will, needless to say, be aggravated greatly."

What is attracting our interest is that the decrease in the amount of remittances to North Korea by Chochongnyon is the first phenomenon of its kind by an overseas pro-Pyongyang organization since Kim Il-song's death.

Authorities concerned believe that the reason for this is that Chochongnyon is pessimistic about Kim Chong-il's ruling capability and his leadership status.

It is thought that 60-80 billion yen is remitted annually to North Korea by Chochongnyon. This estimate was first revealed in March when a Japanese public security related official made revelations before the Japanese Diet about the situation of Koreans in Japan affiliated to Chochongnyon.

It was learned that issues of strengthening ROK-Japan preparedness for possible accidental provocations were mainly examined at the ROK-Japan military working-level talks.

DPRK Delegation Scheduled to Visit Japan

SK1511030994 Seoul YONHAP in English 0152 GMT 15 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 15 (YONHAP)—A four-member North Korean delegation led by Paek Pong-kyu, bureau director of the Korean Committee for Cultural Relations With Foreign Countries, will visit Japan on Nov. 24, arousing interest in a resumption of talks on diplomatic normalization, informed sources said Tuesday.

Tokyo-Pyongyang normalization talks opened in January 1991 but were suspended in November 1992 after the eighth round in Beijing, torpedoed by the past issue of a Japanese woman who was allegedly abducted to the North and then taught Japanese to a North Korean terrorist who planted a bomb on a Korean airlines passenger jet in November 1987.

The Pyongyang delegation will include Song Il-ho, the ruling Workers' (Communist) Party contact man with Japan. The North Koreans are going to Japan to discuss a return visit by members of the Japanese ruling coalition—the Liberal Democratic, Social Democratic and Sakigake [Harbinger] Parties, according to the sources.

If realized, it will mark the first trip to Japan by a North Korean Government-party delegation since the death in July of President Kim Il-song.

The coalition parties' plan to dispatch a delegation to Pyongyang has yet to materialize because the North reportedly failed to guarantee a meeting with de facto leader Kim Chong-il and because of objections raised by some members of the Liberal Democratic Party.

Dailies View President Kim's Summits in Jakarta

SK1511092894

[FBIS Editorial Report] The following is a compilation of articles and an editorial published by the ROK vernacular dailies on 15 November on the trilateral summit among the ROK, the United States, and Japan held in Jakarta on 14 November.

The conservative CHOSON ILBO carries on page 3 a 900-word article entitled "The ROK, the United States, and Japan Have Decided Again To Cooperate in Solving the North Korean Nuclear Issue." The article begins: "In his trilateral summit talks among the ROK, the United States, and Japan held on 14 November, President Kim Yong-sam reconfirmed the importance of the cooperation system among the ROK, the United States, and Japan to implement the North Korean-U.S. agreement, including the settlement of the North Korean nuclear issue and, thus, has decided to deal with it with a joint strategy with the countries concerned."

Referring to the importance of North-South dialogue to implement the joint denuclearization declaration on the Korean peninsula and to satisfactorily carry out the agreement, the report writes: "The reconfirmation of cooperation among the ROK, and the United States, and Japan will be effective in driving a wedge in the possibility that North Korea ignore the agreement in the course of implementing it, as well as in demonstrating their resolution to the international community, including China, to settle the North Korean nuclear issue."

Referring to President Kim Yong-sam's meeting with leaders from the United States, Japan, China, and Canada, the report writes: "It is the principle that the Korean peninsula issue should be resolved by the parties concerned. The destiny of the Korean peninsula should be determined by the North and South, not by foreign countries. The Korean people should play a leading role in determining it. Therefore, it is very important to hold North-South dialogue. Also, those above-mentioned countries fully support such ROK Government policy."

The moderate TONG-A ILBO carries on page 3 a 1,000-word article entitled "The Top Leaders of the ROK, the United States, and Japan Have Resolved To Fully Cooperate With Each Other Regarding the Situation on the Korean Peninsula." Referring to President Kim Yong-sam's meeting with them and to the security issue on the Korean peninsula mainly discussed during the summit talks, the report writes: "President Kim Yong-sam and other leaders have unanimously agreed that North Korea should thoroughly observe the North Korean- U.S. agreement in order to fully resolve the North Korean nuclear issue. To achieve this, they have resolved to closely cooperate with each other."

Referring to the ROK's central role in North Korea's work to build light-water reactor and to President Kim's remarks on the importance of the stabilization of the Kim Chong-il system for the security on the Korean peninsula, the report writes: "The relevant government officials assess that these summit talks will serve as an occasion for maintaining and developing friendly trade relations among the countries concerned."

The left-leaning HANGYORE SINMUN carries on page 3 a 1,000-word article entitled "A Resolution To Indirectly Give Support To Improving North-South Relations." Referring to the international support for the ROK's policy toward North Korea, the report writes: "During President Kim Yong-sam's separate meetings with foreign leaders on 14 November, concrete plans were likely to have discussed to gain positive response from North Korea, because President Kim Yong-sam had already put forward a basic policy to improve relations with North Korea, including the resumption of North-South dialogue and their economic cooperation."

Referring to Chinese President Jiang Zemin's remarks welcoming the North Korean-U.S. agreement, the report writes: "President Jiang Zemin said that China will play an active role in implementing the agreement. This is therefore very significant."

The pro-government SEOUL SINMUN carries on page 3 an 800-word editorial entitled "President Kim Yong-sam's Forced March Toward Summit Diplomacy." Referring to President Kim Yong-sam's meeting with leaders of Philippines and Indonesia to promote economic cooperation and the importance of their role in building a bridgehead for the ROK diplomacy toward the Southeast Asian countries, the editorial says that it is important for the government and enterprises to actively study the follow-up measures so that President Kim Yong-sam's summit talks can be successful.

Referring to President Kim Yong-sam's meeting with foreign leaders, including Chinese President Jiang

Zemin, the editorial writes: "The 15 November conference of the Asia-Pacific Economic Cooperation will serve as an occasion to show to the world the character of the ROK."

Kim Yong-sam's Information Network Plan Analyzed

SK1511115994 Seoul YONHAP in English 0815 GMT 15 Nov 94

[By Hwang Tu-hyong]

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP)—With South Korean President Kim Yong-sam proposing the Asia-Pacific Information Infrastructure (APII) at the APEC [Asia-Pacific Economic Cooperation] summit Tuesday, his country joined the international race for information superhighway projects which will eventually bind the world community as one in the 21st century.

The proposal by Kim at the Asia-Pacific Economic Cooperation summit in Jakarta, Indonesia, was the third of its kind after the Global Information Infrastructure (GII) and Asia Information Infrastructure (AII) suggested by the United States and Japan, respectively.

While offering up the GII early this year, the United States set down five principles including promotion of competition and investment in the private sector, flexibility in restrictions to meet the rapid development of technologies and variable market conditions, access to information networks for all information providers and global information services.

For its part, Japan proposed last August the AII project, which would take its information network worldwide and help the Japanese information industry make inroads into other countries in a fierce race for control of information superhighway projects.

The AII project aims to counter the Americans' ambition of taking control of the world's information market by devising Asian standards in various information superhighway projects led by Japan.

As indicated in the five principles put forward by the United States' GII project, Washington calls for a minimal government role in the project and promotion of private sector competition in a bid to help technologically advanced U.S. firms benefit by imposing American standards on the global information market.

Unlike the GII and AII proposed by the world's most advanced countries, the APII suggested by South Korea could bring along reluctant developing economies which fear the information superhighway projects would only benefit the advanced economies.

The APII project could also bridge the differences between the GII and AII projects, which focus on the roles of the private sector and government, respectively.

Considering Asian nations' reluctance to take part in the AII project led by Japan due largely to lingering memories of the Pacific War waged by Japan to unite Asia, the Seoul government has prepared the APII project despite Tokyo's efforts to include it in the AII project.

The Seoul government received favorable responses from the United States, Japan, Canada and Australia on APII last August when it proposed the project at a working-level meeting of APEC in Bangkok, before putting the project on the APEC agenda in Jakarta Tuesday.

Although the APII principles will be set during meetings of relevant countries, the Seoul government wants the APII project to respect each country's characteristics and creativity, allocate the burden in consideration of members' abilities, open the project to private firms and introduce competition.

South Korea plans to convene a meeting of high-level officials from APEC member countries in Seoul next March or April and a session of ministers in charge of telecommunications in April or May to discuss pushing ahead with the APII project.

The Seoul government expects its domestic information industry to advance into the world market for data and communications equipment by securing core technologies to produce high-tech information equipment in close cooperation with advanced countries and by participating in finding various international standards for such equipment.

The information superhighway is considered the core of the information society in the 21st century when fiber optic cables connecting public institutions, private businesses and households across the world could improve mankind's welfare and business productivity by allowing freer access to voice, picture, a variety of data and other multimedia information.

Visits by PRC High-Ranking Officials Increase

SK1211024894 Seoul YONHAP in English 0236 GMT 12 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 12 (YONHAP)—A bevy of former and incumbent high-level officials of China are visiting Seoul, including ex-Foreign Minister Huang Hua, Beijing Mayor Li Qiyan and Jilin Province Governor Gao Yan.

Following Chinese Premier Li Peng's recent trip to South Korea, the number of visits by other important Chinese figures has been growing rapidly though their activities remain relatively low key.

Commenting on the pattern, a Foreign Ministry official said "It's true that there is a rush to South Korea of high-ranking Chinese officials," adding that they are conducting typical "active-and- quiet" diplomacy which allows their country to gain profits with little fanfare.

In comparison with Russia, which engaged in a boisterous form of diplomacy soon after Moscow and Seoul formed diplomatic ties, leading Pyongyang to turn its back on Moscow, China prefers a quiet type of diplomacy: Keeping its existing relations with the North and winning benefits from the South at the same time.

Although the visiting Chinese focus mainly on economic activities, including industrial inspection tours and meetings with major South Korean businessmen, the official conceded that "We don't know exactly what they are doing here."

Governor Gao is here to participate in a four-nation governors' conference while Mayor Li and Chairman of the Chinese International Friendship Association Huang came at the invitation of Seoul city Mayor Choe Pyong-yol and Kohap Inc. and a leading newspaper, respectively.

Among others, Huang draws a great deal of attention as he is accompanied by top managers of several major Chinese corporations.

They all paid courtesy calls on South Korean Deputy Premier Yi Yong-tok and Chairman Huang attended a welcoming dinner for him hosted by Yi.

Australia Agrees To Lower Tariffs on Autos

SK1511114794 Seoul THE KOREA TIMES in English 15 Nov 94 p 8

[FBIS Transcribed Text] Australia has agreed to lower tariff rates on automobiles and textiles and to promote technology transfer to Korea as a way to rectify the trade imbalance now in favor of Australia.

The agreement was reached by KOTRA president Pak Yong-to and Ralph Evans, president of the Australian Trade Commission, at the sixth annual KOTRA-Austrade consultation meeting in Seoul yesterday.

Evans said that Korean businessmen need to increase commodity exports to Australia to balance bilateral trade.

Korea is expected to chalk up a $2.4 billion trade deficit with Australia this year, an increase on the $2.2 billion deficit last year, according to the KOTRA.

President Kim Yong-sam now attending the Asia-Pacific Economic Cooperation summit in Jakarta will fly to Australia tomorrow for a four-day visit, during which he will talk with Prime Minister Paul Keating on bilateral economic issues.

Evans proposed a linkage between Korea's mass production system and marketing ability with Australia's high technology.

In this connection, he agreed that Australia will invite missions on environment management, information and technology from Korea in 1995 and 1996 to promote technology transfer to Korea, a KOTRA official said.

The two sides also agreed to exchange management trainees to learn the merits of management in each other's country.

KOTRA president Pak explained prospects for inter-Korean economic exchanges Australian businesses have been deeply interested in and the possibility of joint advances to the North.

KEB Plans Full Banking Services in Philippines

SK1511085094 Seoul THE KOREA HERALD in English 15 Nov 94 pp 8, 9

[FBIS Transcribed Text] Korea Exchange Bank (KEB) has been granted the license to offer full banking services in the Philippines, a KEB spokesman said yesterday.

During their summit in Manila Friday, Philippine President Fidel Ramos promised President Kim Yong-sam to give the green light for the operations, the spokesman said.

KEB will become the first foreign bank to open a full-service branch in the Philippines when the Manila government implements a new banking law soon, he said.

Because of strict local banking rules, the business of KEB's Manila branch has been limited to offshore banking since its opening in 1983.

All foreign bank branches doing business in the Philippines have been allowed access only to offshore banking except four foreign banks which entered the country before 1949 when the Philippine banking law was enacted, he said. They are Citibank, Standard Chartered Bank, Hong Kong Bank and Bank of America.

In May this year, the Manila government came up with a revision to its banking act which will permit 10 foreign banks to open full- service branches in the next five years, the spokesman said. The Philippine president will pick four of the foreign banks, while the country's monetary board will choose the remainder.

About 30 foreign banks have applied for authorization from the Manila government to offer full-service banking, he added.

The KEB plans to turn its Manila branch into one that offers the same banking services as local banks, the spokesman said. The date for its conversion will be decided later according to the Manila's banking liberalization schedule, he added.

The conversion will contribute to boosting bilateral trade as the branch is expected to provide more financial services and support for Korean companies operating in the nation, the spokesman said.

Seoul Agrees To Import LNG From Indonesia

SK1411072594 Seoul YONHAP in English 0703 GMT 14 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP)—South Korea has agreed to import 1 million tons of Indonesian Liquified Natural Gas (LNG) annually from 1998 to 2017.

The accord was reached between South Korean Trade, Industry and Energy Minister Kim Chol-su and his Indonesian counterpart Satrio Judono in Jakarta Sunday, the Ministry of Trade, Industry and Energy disclosed Monday.

A contract covering South Korean imports of Indonesian LNG will be signed by the Korea Gas Corp. and the state-run Pertamina Co. sometime this year, according to the ministry.

In light of the fact that bilateral trade has increased by about 30 percent annually over the past five years, the two ministers set a goal of attaining 10 billion U.S. dollars in trade by 1997.

With a view to supporting expanded bilateral trade and investment, they also agreed to resume the trade ministerial conference, suspended in 1991, and to hold its forthcoming meeting in Seoul next year.

Pointing out the inconvenience that Korean exporters to Indonesia face in terms of delayed shipments and costs in having to undergo pre-shipment inspection by a Swiss agency, Kim asked that the process be expedited. Judono said the matter would be resolved by establishing Indonesia's own inspection agency in South Korea before year-end, the ministry noted.

Kim Tae-chung, Pak Chol-un Meet 'Privately'

SK1411014294 Seoul YONHAP in English 0122 GMT 14 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP)—Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, has met privately with former assemblyman Pak Chol-un, it was confirmed belatedly Sunday.

The meeting turned heads in the political community as Kim was defeated by Kim Yong-sam in the 1992 presidential election and Pak, once called the crown prince of the No Tae-u government, was recently released from prison after serving time for bribery charges.

Both sides kept the meeting secret from the press, seemingly due to concern about its possible political repercussions.

Chang Song-min, Kim's press secretary, said Sunday: "Late last month, that is, just a few days before Chairman Kim left for China, former assemblyman Pak paid a call on the chairman at his home in Ilsan, accompanied by his wife assemblywoman Hyon Kyong-cha. The meeting was just brief."

Asked what they talked about, Chang snapped, "I don't know anything at all."

Some politicians speculate, however, that they must have held a guarded discussion about a possible course of action in the future.

But a close associate of Pak, after hearing that the Kim side had acknowledged the meeting, said: "The Ilsan meeting took place as Chairman Kim invited Pak and his wife to dinner to cheer up Pak after his release from prison and congratulate Hyon on her election to the parliament.

"I understand they just chatted at the table and had no political talks... We've kept it secret because the two gentlemen agreed not to talk about the meeting publicly in consideration of speculation about the meeting in the political community. We thought it proper to keep it secret before the inviter divulged it."

Influence of Former Opposition Leader Viewed

SK1111042994 Seoul THE KOREA HERALD in English 11 Nov 94 pp 2, 5

[By staff reporter Song Chung-tae]

[FBIS Transcribed Text] Many opposition lawmakers were seen at the Kimpo International Airport yesterday afternoon.

It was the time when they should have been at the National Assembly discussing state affairs. However, the ongoing regular session of the Assembly has been deadlocked recently due to confrontation between the ruling and opposition parties over the government's stance in the Dec. 12 "coup-like" incident in 1979.

Instead, the incumbent opposition lawmakers packed a corner of the airport to welcome a retired politician, who was back from a 10- day trip to China.

The scene showed just how powerful the influence of former opposition leader Kim Tae-chung, who now heads a private peace foundation to study ways of peaceful reunification of the Korean Peninsula, still is in the nation's political circles.

Kim's influence in the political community, the DP [Democratic Party] in particular, has sometimes caused the ruling Democratic Liberal Party (DLP) to put him on the center of the pending political issues when relations between the ruling and opposition parties worsen.

This was demonstrated well in a recent case.

When the ongoing regular session of the National Assembly was stalled by the DP's boycott over the prosecution's decision not to indict those involved in the Dec. 12 coup-like incident in 1979, the DLP charged that the DP's stance calling for indictment of those involved in the military rebellion ran counter to Kim's philosophy of not taking political revenge.

The DLP tried to soften the DP's fierce offensive against the Dec. 12 incident initiated by Rep. Yi Ki-taek, leader of the DP, taking advantage of an apparent move that Kim reportedly tried to embrace conservative political force including followers of former Presidents Chon Tu-Hwan and No Tae-u, masterminds of the incident, for running in the next presidential election.

Kim had been suppressed by those involved in the military rebellion, but he reportedly feels that he must embrace them in order to expand his power base to Kyongsang Province, North Kyongsang Province in particular, the stronghold of Chon and No, if he wants to make a successful challenge in the next presidential election. Kim has a stronghold in the Cholla Province.

The DLP's strategy is apparently designed to pit Yi against Kim. Yi, who heads the DP with a help of the party's largest faction of Tonggyo-tong, consisting of Kim's supporters, declared earlier that he will run for the next presidential race.

Thanks to his undiminished influence, the political community has responded sensitively to every action of Kim's despite his repeated pledge of not returning to politics.

So rumors are running high that he will enter the political scene again some time before the next presidential election, slated for 1997.

Some political analysts say that Kim's devotion to research on ways of peaceful unification of the divided two Koreas is a part of his strategy to prepare for the presidency because the unification issue will be one of the most important issues facing the nation during the time.

The 68-year-old long-time former opposition leader founded the Kim Tae-chung Peace Foundation for the Asia-Pacific Region and has devoted himself to studying ways of peaceful unification of the Korean Peninsula after retiring from politics in late 1992 when he was defeated by President Kim Yong-sam in the presidential election.

The reality that there is no person in the political community who can replace the two Kims these days is producing these rumors, they say.

Such rumors are also backed by Kim's activities at home and abroad.

The political analysts say that the chairman of the peace foundation has engaged actively in heightening his image as an international leader.

Kim already visited the three neighboring superpowers surrounding the Korean Peninsula—the United States, Russia and China, this year.

Government, DLP: Assembly To Meet Unilaterally

SK1511071694 Seoul YONHAP in English 0041 GMT 15 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP)—The government and the ruling Democratic Liberal Party (DLP) have reportedly decided to operate the National Assembly unilaterally from early next week unless the main opposition party drops its extra-parliamentary activities over the issue of the Dec. 12 "military rebellion."

The decision was made during a high-level meeting at Chongwadae [presidential offices] Monday afternoon and reaffirmed the previous government-DLP position of refusing to accept the opposition demand that the prosecution's stay of indictment for those involved in the military incident of 1979 be rescinded.

A participant in the meeting said they will, however, continue seeking dialogue with the opposition Democratic Party (DP) until this weekend. If the DP declines to return to parliament, the participant said the ruling party will initiate parliamentary proceedings without it.

He said the DLP-DP dialogue will include a floor leaders' meeting arranged by Speaker Hwang Nak-chu, but it must be held before President Kim Yong-sam returns from overseas.

DLP Secretary General Mun Chong-su, meanwhile, said the prosecution decision is not open to compromise, noting that the National Assembly must meet next week to act on the 1995 budget bill.

As to DP Chairman Yi Ki-taek's proposal for a summit meeting with President Kim, Mun said it could be held if they discussed major state affairs such as the budget bill, ratification of the World Trade Organization (WTO) accord and state purchases of rice from farmers.

The government-ruling party meeting was attended by Chief Presidential Secretary Pak Kwan-yong, Senior Presidential Secretary for Political Affairs Yi Won-chong, DLP Secretary-General Mun, DLP Chief Policy-maker Yi Se-ki, DLP Floor Leader Yi Han-tong and First State Minister for Political Affairs So Chong-won.

Assembly Speaker Objects to Plan

SK1511072894 Seoul YONHAP in English 0635 GMT 15 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP)—National Assembly Speaker Hwang Nak-chu has voiced his objections to the ruling party's bid to resume parliamentary proceedings without the opposition party, saying he will seek normalization through a bipartisan compromise.

Hwang asserted Tuesday that he will do anything to normalize the assembly, even arranging a summit meeting between President Kim Yong-sam and the opposition leader.

Meeting the press at the assembly, Hwang objected to the ruling Democratic Liberal Party's [DLP] push for unilateral operation of the assembly, which has become a hot political issue triggered by the opposition Democratic Party's [DP] boycott of the current regular session over the military incident of 1979.

"We have to think of the serious consequences of any unilateral parliamentary operation that may be likened to a dead patient after surgery," he said.

The speaker indicated that he favored house normalization through a bipartsan compromise. "I am concerned more about how to restore the house to normalcy rather than the legal deadline for acting on next year's budget bill."

Earlier in the day, Hwang called on DP Chairman Yi Ki-taek at the latter's assembly office to look for a breakthrough in the parliamentary stalemate.

The speaker said he was willing to arrange a meeting between President Kim and Yi to find a solution to the bipartisan confrontation after Kim returns from overseas.

Yi told reporters later that Hwang had shown his readiness to try to break the impasse, adding: "After all, a summit meeting should solve the problem."

However, Yi said he had refrained from offering any comment and only listened to the speaker's hints of a summit.

The opposition party has been boycotting the regular house session for almost 10 days, demanding that the prosecution overturn its stay of indictment for those allegedly involved in the Dec. 12 "military rebellion" of 1979.

Central Bank Warns About Securities Investments

SK1111064794 Seoul THE KOREA TIMES in English 11 Nov 94 p 9

[FBIS Transcribed Text] With commercial banks expanding investment in securities at a rapid speed, the central bank warned this "reckless" investment in bonds and stock may undermine the soundness of their management.

The central bank reported that the share of investment in securities in banks' asset management has grown from 10.9 percent in 1986 to 17 percent as of July, 1994. As their investment in securities is on the rise, their loan operations are taking a smaller and smaller share of their asset management. The share of their won-currency loans in their asset management continued to drop from 70 percent in 1986 to 59.2 percent in July, 1994.

The central bank attributed the rise in investment in securities by banks to the drop in loan demand, narrowing interest margins and reduction of policy loans. Furthermore, the increase in big business groups' dependence on direct financing like issuing bonds and stock at both home and abroad also contributed to reducing the share of loans in asset management, it said.

Their investment in securities grew by 1,654 billion won during the first seven months of 1994 with their investment focused on stocks. By comparison, their investment in securities grew 944.4 billion won during 1992 and 1993. Banks have increased their investment in stock since 1988 taking advantage of the expanding volume of the stock market. They have sharply expanded investment in stock since the beginning of the year, their investment in stock grew by 1,808.8 billion won during the first seven months of the year, compared with 1,381 billion won growth during the 1992-1993 period

Their outstanding investment in stock amounted to 5,360 billion won at the end of July of 1994. Their outstanding investment in state bonds and corporate bonds reached 2,970 billion won and 6,202 billion won respectively.

More recently-established banks are more active in increasing investment in stock. The growth rate of their stock holdings grew 61.6 percent in 1993 over the year before and 68.2 percent during the first seven months of 1994.

Outstanding stock holdings by the six largest commercial banks expanded from 2,606 billion won at the end of 1993 to 3,867 billion won at the end of July. The outstanding stock holdings by all commercial banks nationwide increased from 3,605 billion won at the end of 1993 to 5,410 billion won at the end of July.

The BOK [Bank of Korea] said the increase in investment in securities will result in higher risks for banks and called on banks to be more careful in expanding investment in securities whose prices can fluctuate.

Interministry Struggle Delays Futures Market

SK1511110994 Seoul THE KOREA TIMES in English 15 Nov 94 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] An inter-ministry struggle continues to delay legislation aimed at establishing a futures market in Korea, frustrating importers and financiers who want to hedge their risks there.

At a glance, the Economic Planning Board [EPB] and the Ministry of Finance [MOF] appeared to have formed a consensus to establish two separate commodities and financial futures exchanges.

But this superficial consensus does not necessarily mean a clear end to their years-old smouldering turf war waged in an attempt to gain hegemony in the futures trading. The Economic Planning Board wants to establish a futures regulatory organization under its influence to monitor trading in both financial and commodities futures trading.

This invited strong complaints from the Ministry of Finance which wants to set up the supervisory organization which deals with only financial futures.

Another bone of contention between the EPB and the MOF is a "definition" of futures contracts the Commodities Futures Exchange would be able to handle. Under the bill, which ruling party lawmaker Yi Myong-pak is initiating after consulting with the EPB, the Commodities Futures Exchange would be able to handle all kinds of tangible and intangible commodities as well as "other instruments that the president can designate."

The wording that "the other instruments that the president can designate" is interpreted by the Ministry of Finance as meaning that the Commodities Futures Exchange will ultimately handle financial futures contracts in the future.

Even within the Ministry of Finance, the banking and securities bureaus are divided. The banking bureau favors the stipulation that stock index futures contracts must be handled both by the Korea Stock Exchange [KSE] and the to-be-established Korea Financial Futures Exchange. But the securities bureau opposes the idea of stock index futures contracts being traded outside the KSE.

The KSE wants to monopolize stock index futures trading, which will be initiated from 1996 but all financial institutions, excluding securities companies, have formed an association to create a financial futures market. They want the prospective futures exchange to handle all kinds of financial futures contracts, including stock index futures.

Yi Hyon-yol, vice chairman of the Korea Financial Futures Association, said, "We do not care which ministry—EPB or MOF—is authorized to supervise the futures markets." He added that whatever the format, the futures exchange should be opened as soon as possible to protect both industrial and financial firms from exposure to risks from wild fluctuations in raw materials, interest and foreign exchange rates.

A Ministry of Finance official said there is about a 50-50 possibility that futures legislation will be passed in the National Assembly this year, adding that the EPB and the MOF will seek ways of narrowing their differences. He indicated that a critical decision or compromise may be made late this week.

Due to the EPB-MOF squabble, lawmakers are initiating their own bills to establish financial and commodities futures exchanges. Rep. Kim Won-kil of the opposition Democratic Party has drafted a bill on financial futures while ruling party lawmaker Yi Myong-pak has prepared a bill on commodities futures.

Burma

UN Human Rights Representative Continues Visit

Meets With Khin Nyunt

BK1511040894 Rangoon Radio Myanmar in Burmese 1330 GMT 14 Nov 94

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, received Professor Yozo Yokota, the visiting United Nations Human Rights Commission representative, at the Defense Ministry's Dagon House at 0900 this morning. During the meeting they held cordial and frank talks on Myanmar's [Burma] political, economical, and social situation and the government's activities in implementing social rights. Also present at the meeting were Foreign Minister U Ohn Gyaw, Protocol Department Director General U Aung Htet, and U Aye from the Ministry of Foreign Affairs. Prof. Yokota was accompanied by delegation members Quin Gazio and Mazami Hada.

Visits Insein Central Jail

BK1511042994 Rangoon Radio Myanmar in Burmese 1330 GMT 14 Nov 94

[FBIS Translated Text] Visiting UN Human R[illegible] Commission representative Professor Yozo Yokota accompanied by delegation members Mr. Quin Gazio and Mrs. Mazami Hada arrived at Insein Central Jail at 1400 this afternoon. Prof. Yokota and party met with Prisons Department Director General U Zaw Min, Deputy Director General U Kyaw Soe, and departmental officials at the Insein Central Jail's Reception Hall. Later, Prof. Yokota and party inspected the central jail, hospital, kitchen, central watch tower, special ward, and plantations and departed at 1530.

PRC Communications Minister Leads Goodwill Visit

Delegation Arrives in Rangoon

BK1011162294 Rangoon Radio Myanmar in Burmese 1330 GMT 10 Nov 94

[FBIS Translated Text] A PRC goodwill delegation led by the communications minister arrived at Yangon [Rangoon] International Airport at 1755 this evening at the invitation of Transport Minister Lieutenant General Thein Win. The delegation was welcomed at Yangon Airport by the transport minister and responsible personnel. After a reception ceremony at Yangon International Airport's special lounge, Lt. Gen. Thein Win escorted the visiting PRC communications minister and delegation to the Inya Lake Hotel.

Khin Nyunt Receives Delegation

BK1211080694 Rangoon Radio Myanmar in Burmese 1330 GMT 11 Nov 94

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, received PRC Communications Minister Huang Zhendong, and entourage, currently in Yangon [Rangoon], at the Defense Services' Dagon House at 1530 today. Together at the meeting with Lt. Gen. Khin Nyunt were Lt. Gen. Thein Win, minister of transport; U Ohn Gyaw, minister of foreign affairs; and Thura U Aung Htet, director general of the Protocol Department; while the visiting delegation was accompanied by Mrs. Chen Baoliu, ambassador of the PRC.

Minister Meets With Railway Minister

BK1211080994 Rangoon Radio Myanmar in Burmese 1330 GMT 11 Nov 94

[FBIS Translated Text] A delegation led by Mr. Huang Zhendong, minister of communications of the PRC, currently visiting Yangon [Rangoon], called on U Win Sein, minister of rail transportation, at the latter's office at 1030 today. At the meeting, they held frank and cordial discussions on respecting traffic rules and regulations of each country along the border due to increased border trading and crossing by motor vehicles as a result of the stronger relationship between Myanmar [Burma] and the PRC and the annual growing economic cooperation between the two countries.

Minister Meets With Transport Minister

BK1211143294 Rangoon Radio Myanmar in Burmese 1330 GMT 11 Nov 94

[FBIS Translated Text] A delegation led by PRC Communications Minister Huang Zhendong, accompanied by PRC Ambassador Mrs. Chen Baoliu, called on Transport Minister Lieutenant General Thein Win at the minister's office on Merchant Road at 1330 today.

During the meeting, frank and cordial discussions were held on the water transport sector, including the expansion and upgrading of ports, construction of container terminals, construction of the Kyaukpyu deep sea port; land transport matters such as the construction of a bridge over a narrow section of the Irrawaddy River in the vicinity of Chauk; mutually beneficial utilization of the Irrawaddy River for trade flow; the construction of sea liners and coastal and river boats; and the upgrading of shipyards.

At night, a dinner was hosted in honor of Communications Minister Huang Zhendong and his delegation at the Mya Yeik Nyo Hotel. Both ministers delivered an address. The dinner was attended by Lt. Gen. Khin Nyunt, secretary-1 of the State Law and Order Restoration Council; Brigadier General Abel, minister of national planning and economic development; Information Minister Brig. Gen, Myo Thant; Brig. Gen. Win Tin, minister of finance and revenue; Foreign Minister U Ohn Gyaw; and Deputy Transport Minister U San Wai.

Minister, Delegation Depart

BK1511051094 Rangoon Radio Myanmar in Burmese 1330 GMT 14 Nov 94

[FBIS Translated Text] A PRC goodwill delegation led by Communications Minister Mr. Huang Zhendong and party, currently in Yangon [Rangoon] at the invitation of Transport Minister Lieutenant General Thein Win, departed by air at 0730 this morning. The delegation was seen off at Yangon International Airport by Transport Minister Lt. Gen. Thein Win, Deputy Transport Minister U San Wai, PRC Ambassador Mrs. Chen Baoliu, and responsible personnel from the Ministry of Transport.

Editorial Views Difficulties of Market Economy

BK1511053794 Rangoon Radio Myanmar in Burmese 0440 GMT 14 Nov 94

[From the "Newspapers' Opinion" Program]

[FBIS Translated Text] Dear listeners, today's Newspapers' Opinion program will feature the editorial from today's MYANMAR ALIN newspaper entitled: Serve the people by showing gratitude to the State.

The state is encouraging and promoting the development of the private sector in Myanmar [Burma] which is practicing the market economic system. There is a need to understand that this encouragement and promotion is not formulated for a group of private entrepreneurs to become richer or wealthier. A modern developed country is not realized just because a group of private entrepreneurs is wealthy. The state will become rich with wealthy people only if there is gradual socioeconomic development of the entire populace, including the grass roots majority of peasants and workers. Entrepreneurs, who owe their noteworthy successes to the state's encouragement, should consider themselves economically responsible for the welfare of the consumers—the populace—and prevent the deterioration and diminution of the state's wealth. In any sector, whether trade, production, or services, the entrepreneurs' ability and courage have been highly regarded for overcoming many obstacles in penetrating markets and in the daily activities for the establishment of a solid market base. Similarly, a private entrepreneur's success is believed and hoped to be not only economically but also socially beneficial to a part of the state or a section of the public, as the saying goes, "if one good tree grows, ten thousand birds can flourish".

In this human world, if the rich, wealthy, learned, courageous, and influential, keeping their nationality in high esteem, continue to lead the people, then that particular nation and people will be firmly successful, developed, and become powerful. Otherwise, there will be no progress and it will be like riding a boat with its bow in the air and getting nowhere. In countries that have begun to practice the market economy like Myanmar, the consumers right to freely choose, buy, and use is not complete and sufficient. From a social point of view there is also a need for the entrepreneurs to protect them.

Similarly, in coordinating and working with foreign companies that are willing to take advantage of fulfilling the demands of Myanmar's market economy, not only should economic but also nationalistic views be considered. We must be especially aware that, just as a country's independence is lost by the forceful administration with the use of arms by another country, economic and cultural infiltration could also cause indirect deterioration. At present, it could be seen that the State has been realigning and reeducating some unscrupulous and inconsiderate entrepreneurs, who are using the market economy as a shield to exploit the system for their selfish gain, causing cultural humiliation. That is why, we must be aware that state assistance for the local private entrepreneurs to compete internationally in the world economy should not be misused like watering and weeding the poison plant. The entrepreneurs should also act responsibly by not letting the people devour the flowers and fruits of their poison plants.

Brunei, Malaysia & Singapore

Malaysia

Officials Welcome U.S. Economic Participation

BK1511093794 Kuala Lumpur Voice of Malaysia in English 0800 GMT 15 Nov 94

[FBIS Transcribed Text] The Malaysian Government welcomes American participation in Malaysia's fast-growing economy and will give full consideration to tenders submitted by American companies. This then was conveyed to U.S. Secretary of Commerce Ronald Brown when he called on Deputy Prime Minister Datuk Sri Anwar Ibrahim in Kuala Lumpur today.

Finance Ministry Secretary General Datuk Clifford Herbert, briefing newsmen after the meeting, said Brown would like to see U.S. companies given a fair chance in infrastructure projects such as the new Kuala Lumpur International Airport, power generation, and telecommunications. Apart from that, he would also like to see that more trade between the two countries. Datuk Sri Anwar reminded Brown that Malaysia would like the U.S. to play a positive role in encouraging freer trade and not see social clauses as a fault of protectionism.

The U.S. Secretary of Commerce also called on the minister of defense, Datuk Sri Najib. The Malaysian minister told a joint news conference after the meeting that Malaysia might need the assistance of the U.S. during the withdrawal of Malaysian troops from Somalia at the end of the year. He said Malaysia wanted to have some degree of safeguard in the event that things went wrong in the withdrawal phase. Italy will provide a few ships, including at least one helicopter carrier, to help in the withdrawal process.

Commentary Backs Rejection of U.S. Bid for Base

BK1111130794 Kuala Lumpur Voice of Malaysia in English 0800 GMT 11 Nov 94

[Station commentary]

[FBIS Transcribed Text] Malaysia has joined Thailand and Indonesia in rejecting Washington's request to set up a U.S. military base in the region. There is absolutely no need for such a base where there are no military threats. The big powers in the region now China, North Korea and Japan. However, for Malaysia and its ASEAN neighbors they do not see these countries as military threats. On the contrary, ASEAN has been working to establish a closer relationship with China. This is clearly (?evident) by China's interest as a dialogue partner with ASEAN. Moreover, if there is a pact between ASEAN and the U.S. to have a military base, it would serve to further isolate China from the region. This would put to waste years of hard work, especially after the fall of communism in the West.

The post-cold war era does not justify the need for a U.S. military base. But this is not to deny that there are no security problems whatsoever. Yes, there are several flashpoints among countries in the region. Overlapping claims over disputed islands involving China and some ASEAN countries have yet to be resolved. Reports that the country was building up its facilities in southern China are indeed disturbing and cannot be brushed aside. It is for this purpose that ASEAN has set up the Asia Regional Forum, ARF, to discuss important security issues. Legal phases rather than outright confrontation is a better way of dealing with difficult issues. Proposed in 1993, the ARF is set to gain further momentum at its next meeting in Brunei soon. What is significant about the ARF is that its membership includes ASEAN, as the major player, the U.S., China, Russia, Japan; and that goes a long way to show just how effective it can be if it [words indistinct]. Rather than harboring fears about China's alleged military aggression, it is time to look to China as their legal business partner. On its part, China has to reassure other countries that it is not bent on military conquest. China still needs to trade with the Southeast Asian countries. It is an interdependent related [word indistinct] that China would not want to jeopardize through unwarranted military exploits. If at all China is seen to be a threat, then such a picture has been painted by the Western powers. After all, Western powers believe self-preservation can only be achieved through military expansion. This is not the case in this part of the world. The bottom line is that there is no tension in the region, and, hence, there is no need for fear. A military base would only create tension. There is also the danger of neighboring countries with internal conflicts misunderstanding the move if any one country were to accept a U.S. military base. The U.S. has been trying very hard to woo Southeast Asian countries to establish a military base in the countries since the evacuation of the Clark Air Base and Subic Bay in 1993. The U.S. feels that such a base would help in meeting regional contingencies.

But Malaysia along with ASEAN firmly believes in resolving conflicts through consultation. A military base would only jeopardize whatever good could come out of the ARF.

Minister Urges Japan To Make Decision on EAEC

BK1011133194 Kuala Lumpur NEW STRAITS TIMES in English 9 Nov 94 p 16

[Report by Noorzita Samad]

[FBIS Transcribed Text] Japan should make a firm stand on the East Asia Economic Caucus (EAEC) once and for all, International Trade and Industry Minister Datuk Sri Rafidah Aziz said yesterday.

"It should make a decision based on its position whether it is in the East Asian region or not... politically or economically. If it feels it does not belong in East Asia, with East Asia , then say so...

"But we believe she belongs to East Asia as it is right smack in the middle of the region," she told reporters at her office in Jalan Duta, Kuala Lumpur, yesterday. Rafidah added that Japan should say "what it feels should be said not what other people wants it to".

Unlike China which has continuously supported EAEC and expressed eagerness to join the caucus, Japanese leaders have come out with many contradictory statements.

Prime Minister Datuk Sri Dr Mahathir Mohamed, addressing the Kyushu-Asian Summit for Local Authorities at Oita City in Japan last month, said ASEAN wanted Japan to join the EAEC as it has the stature and means to play a pivotal role as a model and leader. The EAEC, an idea first mooted by Dr Mahathir but was later adopted as an ASEAN initiative, was to enable East Asian countries to discuss issues to help least developed countries in the region to reconstruct. It also aims to boost trade and economic co-operation in the East Asian region.

Dr Mahathir had said ASEAN was most disappointed when Japanese officials kept asking it to explain all over again what the EAEC was all about.

Rafidah, when asked yesterday whether Malaysia will pressure Japan into supporting EAEC, said there would be no need for this as "Japan knows what is best".

On whether ASEAN will bring up the EAEC issue at the APEC [Asia Pacific Economic Cooperation] meeting in Jakarta this week, she said ASEAN has not decided on this subject as it wanted to concentrate on APEC issues.

"But if all the East Asian countries feel that we ought to discuss the EAEC within APEC, then we will."

Rafidah also reiterated that the US should not continue opposing the EAEC as the caucus would not evolve into an institutionalised organisation or a trading bloc.

"It's merely a loose consultative forum. And we will continue to have dialogues with trading partners like the US, the EU (European Union) and others."

Singapore

Daily Views 'Revolution' in U.S. Elections

BK1211104194 Singapore THE STRAITS TIMES in English 11 Nov 94 p 32

[Editorial: "A Mid-Term Revolution"]

[FBIS Transcribed Text] The coast-to-coast trouncing of President Bill Clinton's Democratic Party in Tuesday's mid-term elections exceeded the predictions of even those who could sense a sea-change underway in the United States. Americans gave the Republicans control of the Senate after eight years, the House of Representatives after 40 years, and a majority of state governorships after 24. Democratic casualties littered the political highways. Governor Mario Cuomo of New York, the very symbol of Democratic liberalism, fell to a person known less by his own name than as "the UnCuomo". Representative Thomas Foley created history by being the first House Speaker since 1860 to lose his seat. Governor Ann Richards of Texas lost to a rival accused of having been born with a silver foot in his mouth. But more than names and dates, it is the politics that matters. The vote, signalling a massive swing to the right in mainstream America, is an indictment of the interventionist idealism, the vision of activist governance that President Bill Clinton brought to the White House in 1992. It is also a vote of anger against the way Congress manages the affairs of the nation—by gridlock. It is a warning directed at candidates across party lines that a resurgent America expects better of those whom it empowers to serve the people. In the interplay between these two factors—one partisan, the other institutional—lies the true import of America's November revolution of 1994.

To be fair, the White House incumbent is a revolutionary, too. If anything, the zeal with which he tried to reform the national health system attests to his desire to fulfill the mandate for change he received in 1992. However, he could not stave off accusations that his was the party of big government, big taxes and big regulation. It is here that the Republicans' agenda—lower taxes, a balanced budget, a smaller federal bureaucracy, controls on runaway welfare spending, and a tougher stance on violent criminals—struck home decisively. Indeed, the power of one of the forces that had propelled Mr. Clinton to power—Americans' demands for decisive action on domestic issues—was reiterated this week. Instead of only foreign victories, and some (as in North Korea) have indeed been just that, they wanted a few at home, too. There the President failed to satisfy them; that is the promise which has swept the Republicans to power in the three most important levels of government below the presidency. It is a promise they will have to keep.

On the foreign front will perhaps be felt the effect of the same congressional battles which the President can expect over domestic issues. However, there is hope that he will not be tied down by these, not least because Republicans have traditionally had an activist outlook on foreign policy. Indeed, their winning platform includes a demand for a bigger military budget—an area in which the Clinton Administration's cutbacks attracted criticism. Obviously, there could be disagreement over the kinds of foreign engagements the US should undertake, but a Republican Congress should conceivably strengthen, not weaken, the executive's efforts to maintain America's global eminence.

Much as the election was fought over domestic issues, the US remains a major world player. Its existing commitments give it a stake in what happens elsewhere; simultaneously, developments elsewhere impinge on its domestic life. Hopefully, an enlightened bipartisanship will guide US policy abroad. This will be tested over its passage of the GATT accord, which is crucial both to America's economic health and the world economy. Other challenges loom, from the future of Bosnia and the outcome in Haiti, to the larger issue of how the US can help the United Nations live up to the new expectations of the post-Cold War era. In the Asia-Pacific, certainly, the need for unambiguous US leadership remains an imperative.

Cambodia

KR Warns Government on Fighting in Kampot

BK1011130994 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Nov 94

["Open Letter of People in Kampot Province"; dated 9 November—read by announcer]

[FBIS Translated Text] 1. The 15-year war of the communist Vietnamese aggressors has not yet ended. The communist Vietnamese, UNTAC [UN Transitional Authority in Cambodia], the allies, and the two-headed government have all waged war. The war goes on.

2. In this war the communist Vietnamese aggressors are the ones behind everything. Those following them are also a root cause. They are UNTAC, the allies, and the two-headed government. Countless people have been killed or separated. For 15 years all kinds of destruction has taken place.

3. The people in Kampot Province would like to say that they can no longer put up with this.

4. For this reason the people in Kampot Province would like to openly and solemnly declare that from now on those who directly or indirectly come to carry out activities to kill the people in Kampot Province through various means—military or political, or through an alliance, or through whatever means—are themselves responsible for their lives.

5. The people in Kampot Province have faced great suffering and hardship for 15 years at the hands of the communist Vietnamese, their puppets, UNTAC, the

allies, and the two-headed government. The people in Kampot Province want to end the war of the communist Vietnamese aggressors and want peace in order to live in tranquility. They do not want anyone to come and wage war against them to kill them. It is time all this ended.

Therefore, as for anyone fueling and waging war to kill the people in Kampot Province, the latter reserve the right to deal with them commensurate with their great criminal activities. The Kampot people would like to say this: Don't be arrogant; don't be arrogant (?because of your race). If you dare to kill the people, the latter for their part have the right to hack at your head.

Kampot, November 9, 1994
The People of Kampot Province

DK Ready To Counter Government Battle Campaign

BK1411131094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 13 Nov 94

[Unattributed commentary: "The alliance, communist Vietnam, and their puppets must bear full responsibility for all consequences of their military operations during this dry season"]

[FBIS Translated Text] On 7 November, communist Vietnam and the alliance ordered Ranariddh to tell the press that the army of the communist Vietnamese and U.S. puppets will not launch any military operations against Democratic Kampuchea [DK] and the people during this dry season. What is the truth?

The truth is that on 11 November blockhead Tie Banh informed correspondents that his army was conducting a major military campaign. In fact, communist Vietnam and the alliance—the United States, France, and Australia—made frantic preparations the whole of the rainy season, after their routing in Anlung Veng and Pailin, for military operations during this dry season.

1. The United States, France, and Australia set up a military command in the middle of the rainy season and have since sent additional military personnel to Cambodia.

2. High-ranking U.S., French, and Australian army officers, like clowns, have popped in and out of Cambodia, traveling to some provinces and battlefields, to assess the situation of the two- headed army and help boost the confidence of its battered and demoralized troops.

3. A 20,000-tonne U.S. ship bringing tanks, cannons, and assorted ammunition for the army of the Vietnamese and U.S. puppets called at Kompong Som on 26 October.

A 12,000-tonne Russian ship transporting military vehicles, assorted ammunition, and assorted weapons also called at Kompong Som on 29 October.

4. The army of the Vientiane puppets under communist Vietnamese officers' command has moved into Cambodia since mid-October through the border triangle of Laos, Thailand, and Cambodia.

All this is the start of their dry-season campaign. Therefore, what Ranariddh said above is simply part of a move to deceive national and international opinion. However, Tie Banh immediately contradicted him when he revealed that they were launching a major campaign.

The national army of DK and the people have closely monitored the preparations for military operations by the allliance and communist Vietnam and have taken all the necessary steps to counter them through the guerrilla and people's war. In particular, we have continued to smash and sweep away the administrative structures of the two-headed government.

Communist Vietnam and its puppets must bear all the consequences stemming from these military operations. Do not try to blame others; you are the ones who must suffer all the retributions.

Khmer Rouge Spokesman Condemns Press Law

BK1111042094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Nov 94

["Communique" issued by the spokesman of the "Ministry in Charge of the Situation and Labor in Phnom Penh and the Cities of the Provisional Government of National Union and National Salvation" on 9 November; place not given]

[FBIS Translated Text] I. A few days ago, the two-headed government announced that it had drafted the so-called press law. People wonder who is responsible for compiling this law. The answer is Communist Vietnam and the villainous Western alliance, the masters of the two-headed government. Communist Vietnam is the one that made the decision because it controls everything—the legislature, the executive, the Army, and the police are 100 percent under its control—while the villainous Western alliance helped to prepare the law through the office of an official named (Sibellin), regarded by the two-headed government as its Press Department boss. This Australian is an extremely bad guy. He poses as a journalist and is notorious for his opposition to national reconciliation and support for communist Vietnam and the cause of the 4 million ethnic Vietnamese in Cambodia.

II. Why have they issued this law?

1. To enable the Vietnamese to continue committing aggression and annexing Cambodia at will and without any opposition.

2. To enable communist Vietnam to continue swallowing Cambodian territory at will and without any opposition.

3. To enable their side to continue igniting communist Vietnam's war of aggression to murder the Cambodian people and do away with the Cambodian race during and after this 17th dry season at will and without any opposition.

4. To enable their side to continue implementing the fascist, dictatorial, and exclusive laws of communist Vietnam to suppress, arrest, imprison, torture, abduct, silence, and assassinate in broad daylight the people in the capital right in the heart of Phnom Penh, especially patriotic students and Cambodian journalists, in an attempt to intimidate the opposition.

5. To enable them to carry on all their extremely corrupt practices at will and without any opposition.

III. Our entire nation and people—in the countryside and in Phnom Penh as well as abroad—and the Provisional Government of National Union and National Salvation [PGNUNS] expose and condemn this arch-criminal and fascist scam. We clearly see that they are doing this at a time when they are suffering from repeated defeats and in a situation where they are experiencing their death throes because of the guerrilla and people's war, especially the people's war to sweep away and uproot the communist Vietnamese administrations in all the villages and communes.

We also clearly see that only by continuing to wage a joint struggle in all forms; continuing the guerrilla and people's war, especially the people's war to sweep away and uproot the communist Vietnamese administrations in all the villages and communes; continuing guerrilla activities inside Phnom Penh in a more energetic and widespread manner; and continuing patriotic activities abroad until national reconciliation and peace are achieved, can there be a national government made up of all national forces or sufficient national forces to solve all national and social problems, including freedom of the press.

9 November 1994
The spokesman of the Ministry in charge of the situation and labor in Phnom Penh and the cities of the PGNUNS

Ranariddh Criticizes Khmer Rouge, News Media

BK1511032994 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 13 Nov 94

[Speech by Prime Minister Prince Norodom Ranariddh at ceremony to accept water pumps donated by a Taiwanese Buddhist Delegation at his Phnom Penh residence on 12 November—recorded]

[FBIS Translated Excerpt] [passage omitted on Ranariddh's efforts to promote agriculture] I have been trying hard, seeking all day and all night to convince investors to come and help rebuild Cambodia in all sectors and to persuade tourists to return to our country. Let me tell you I never forget the importance of tourism. This morning I told a French newspaper that I have two salaries. I also have a personal income as I continue to give lectures in France 15 days every year. I am provided with gasoline, cars, electricity, and residence by the state [words indistinct]. Ranariddh will never starve to death come hell or high water. However, if tourists do not come, those who will be affected most will include pedicabs, motorcycle-taxi cabs, and food vendors of all categories. The poor people will continue to be poor.

I beg those of you who have criticized me to think a little about the nation. Without tourists and investors, both Samdech Hun Sen and I, whom you attack daily, will not die. We are not affected by it. But the poor will remain poor. This is what hurts me every day and night because you unjustly hurl abuse at me, criticize me, and create political instability. Neither Ranariddh nor Hun Sen will die from that [words indistinct] flee abroad or die [words indistinct]. I would like to tell you that if you uphold democracy—in a democracy the people elect a National Assembly to a five-year term and ours still has four years left—you must allow the people, who are the true master of the country to judge us and decide our future at the end of the remaining term, not the newspapers. However, under these dire circumstances where we are experiencing all kinds of privation, including water, fertilizer, and rice seeds [changes thought] yesterday, the FAO [Food and Agriculture Organization] gave us some rice seeds. So, at this juncture as the nation is going through hard times, I beg you not to stand in the way and slow progress down. If we do bad things we will be remembered by history, and if we do good things history will not forget us also. Likewise, history will also not forget you if you of the press do not help the nation, if you undermine the nation, and if you sow division in the nation. Therefore, I have no need to sue you and send you to jail. I give you my word. I am at peace with my beliefs and my conscience. I will not betray the nation. What I have done is only to serve the nation. I let history condemn such newspapers as ODDAMKEAKTE KHMER, SAMLENG YUVEAKCHON, DAMNOENG PEL PROEK, and so on. I will not sue them. I will not use the tribunal against them, for the supreme court which is our entire people can see who is loyal to the nation, who is not, and who [words indistinct]. So, please understand. I do not protect traitors. History, surely, can see what the press is doing. History can also see that what we have been trying to do is to rehabilitate the nation after 23 years of devastation due to internal conflicts.

The Khmer Rouge keeps talking about the Vietnamese presence. Where are the Khmer Rouge? Where are Pol Pot and Khieu Samphan? They are appraising land in Thailand. Pol Pot is taking refuge in Thailand and so is Khieu Samphan. They sneak into Cambodia to carry out murderous and subversive activities against fellow Cambodians, thereby driving investors to Vietnam. They claim to hate the Vietnamese. But no one is helping the Vietnamese more than Pol Pot and Khieu Samphan. They have driven investors to Vietnam. This means helping Vietnam. Making the Vietnamese richer than us is helping the Vietnamese. Causing 10 or 20 times more tourists to go to Vietnam means helping Vietnam and making Cambodia poor. History will also condemn them for that.

So, I beg all of you such as DAMNOENG PEL PROEK to use your best judgment. As I have already said, I am not suing you, but I feel hurt because our Cambodian press is making fun of the poverty of our Cambodian people. This is not funny at all. What we want is to see the little people become better off before the state, meaning having enough rice to eat, getting medicine when they are sick, being able to support their children through schools, and, after these children have graduated, finding them jobs so they can support their own families. This is what I want to see happen in our country. I have no personal ambition at all. You must believe that. On the contrary, if you are true patriots, you must remain united with the nation at this time when your service is most needed. All Cambodians must be united as a single body behind our King Father and under the Royal Government to help strengthen national development and bring to the nation not only peace but also prosperity like other countries near us. For example, Thailand and Vietnam are progressing very rapidly. Yesterday, I read in a newspaper that by the year 2000 Vietnam plans to have the largest airline in Asia with a fleet of 60 to 80 aircraft of all types. This is Vietnam's plan written in bold letters. How about us? We do not have enough money even to buy two airplanes despite the fact that we have the Angkor Wat temples.

So, to put it bluntly, this is more testimony that all of you are serving Vietnamese interests, all of you who are fabricating all kinds of insecurity and instability in the country. I dare say this. If you do not believe me, come and sit here with me. I will ask you how have you served Cambodia's interests. Who drafted the Immigration Law? Certainly, it was not Pol Pot and Khieu Samphan. Do not fret. I am urging the Interior Ministry to begin implementing this law as soon as possible. What have you done, those of you who claim to be doing so much? You have done nothing. Have you brought any jobs to our people? Not at all. What you did was to cause damage to Cambodians. You torched their homes and just a few days ago you kidnapped Cambodians in Bavel. There were 21 people who managed to flee, but 41 others were not as lucky. You tied them up and shot them to death before kicking their bodies into a common grave. Do you call that being patriotic?

The brothers in the press should present correct assessments. The brothers in ODDAMKEAKTE KHMER should know what kind of Oddamkeakte [ideal] they are talking about. Is it about supporting Cambodians who have killed fellow Cambodians, torched their houses, and driven investors and tourists from Cambodia to Vietnam? What is SAMLENG YUVEAKCHON anyway? Is it a voice that causes unemployment to youths? It should be a voice that gives to the Cambodian youths employment and a brilliant future. SAMLENG YUVEAKCHON should take part in something that will bring prosperity to the nation and a prosperous future, pride, and honor to Cambodian youths, as in neighboring countries. It should not be a newspaper that uses foul language and promotes division. If it continues to be as it has always been, can it be good for our youths, the offspring of our Angkorian ancestors? Please clarify.

So, I would like to stress that personally I will not order any arrest or suit against any newspaper because I am confident that sooner or later history, meaning the people, will condemn them. Do not think that Ranariddh is threatening or initimidating you. It is only my belief that the people who are the sole masters of the land will render justice. If we are wrong, the people will judge us as wrong. If we are right, the people will judge us as right. Therefore, I would like to tell you that making fun of the vital interests of our nation at this juncture is neither proper nor commendable. I would like to inform you that some people even alleged that I protected the murderers of a journalist. Be informed that the Interior Ministry has already arrested the suspects, interrogated them, and sent them to court on Saturday. Therefore, Ranariddh has not intervened in their favor. On the contrary, Ranariddh has only encouraged the investigation to go on till the above results had been achieved. We are waiting for a verdict.

Some said that newspapers are losing [words indistinct]. Right, you report the traffic accidents only when they involve your people. How about those who are not journalists who have fallen and gotten themselves injured in traffic accidents. Have you expressed any sympathy for them? When there is a traffic accident involving a journalist, you headline the accident report charging that it is an assassination attempt. Has any one of you defended the ordinary people who are involved in traffic accidents daily? None at all. Journalists are not the only humans to treasure their lives. Other humans are equally valuable. You should not be misguided on that. So, concerning the assassination of the SAMLENG YUVEAKCHON editor, I would like to inform you that we have arrested the suspects. One of them has confessed and all of them have already been sent to court. I cannot give you any details because the case is in court now. The verdict belongs to the court. The one who confessed said he had not only killed that editor, but had cut the throats of several other people.

Leaders Attend National Day Celebrations Finale

BK1211130294 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 11 Nov 94

[FBIS Translated Text] This afternoon at 1620 His Excellency [H.E.] Loy Simchheang, acting head of state and acting chairman of the National Assembly; Prince Krompreah Norodom Ranariddh, first prime minister; and Samdech Hun Sen, second prime minister of the

Royal Government of Cambodia, went to the Independence Monument to pay respect to the soul of combatants and ancestors who have sacrificed their lives for the cause of the nation and the people, and to extinguish the victory flame to signify the end the 41st anniversary of the 9 November national day celebrations over the past three days.

Present on this occasion were excellency and lady members of the National Assembly and of the government, officials from various ministries and establishments, and students in Phnom Penh.

Indonesia

Bilateral Trade Talks Held With U.S. in Jakarta

BK1111095494 Jakarta ANTARA in Indonesian 0709 GMT 11 Nov 94

[FBIS Translated Text] Jakarta, 11 November (ANTARA)—Indonesia and the United States have agreed to enhance trade and economic relations while trying as much as possible to abolish trade barriers.

Minister and State Secretary Murdiono told reporters at Merdeka Palace on Friday that the two governments strongly realized the importance of enhancing bilateral trade relations. He had earlier met with U.S. Trade Representative Mickey Kantor.

Murdiono said after attending the opening of the APEC [Asia- Pacific Economic Cooperation] ministerial meeting at Merdeka Palace that it was normal for each country to have problems in enhancing its trade relations with other countries.

When asked whether he had discussed the GSP [generalized system of preferences] with Kantor, he said that the matter had not been specifically discussed during the meeting. ·

Meanwhile, Saleh Afiff, coordinating minister for economy and trade, stressed that Indonesia would not sacrifice matters of principle in return for the renewal of the GSP status.

"We do not want to accept conditions by sacrificing matters of principle," he said after attending the opening of the APEC ministerial meeting. He said Indonesia enjoys a GSP privilege worth U.S. $600 million annually. He also said that Indonesian businessmen should no longer rely on special privileges such as the GSP if free trade among APEC members is achieved.

The U.S. Government is still deliberating a decision on whether to renew or scrap the GSP privilege for Indonesia. Some U.S. circles have urged the U.S. Government to scrap the GSP privilege because the Indonesian Government has not fully recognized labor rights.

Australia's Evans, Alatas Discuss East Timor

LD1411131494 Melbourne Radio Australia in English 1100 GMT 14 Nov 94

[FBIS Translated Text] Australia says it is hopeful Indonesia next year will scale down the number of troops in East Timor. Foreign Affairs Minister Gareth Evans says he understands there is a move within the Indonesian Government to reduce the size of the troop contingent in East Timor. Senator Evans was speaking after talks with Indonesia's foreign minister, Ali Alatas, in Indonesia.

The Australian minister says he stressed the urgent need for a major reduction of the troop presence in East Timor and for Indonesia to take other steps to respect the different religious and cultural sensitivities of East Timorese people. Senator Evans says the weekend riot in East Timor was one example of the cultural sensitivities that need to be taken into account. He says his information indicates there were about 100 people involved in the riot. He says independent sources have said the Indonesian people [as heard] used more restraint than it had in the past in dealing with the riot.

E. Timor Protesters Request Probe Into Arrests

BK1411153594 Jakarta ANTARA in Indonesian 1349 GMT 14 Nov 94

[FBIS Translated Text] Jakarta, 14 Nov (ANTARA)—A group of 28 East Timor youths currently in the U.S. Embassy compound in Jakarta has requested the National Human Rights Commission [NHRC] to investigate into the reasons for the arrest of a number of their colleagues on Saturday.

Responding to questions by reporters on the outcome of their meeting with the NHRC official, Clementino Dios Reis Amaral, at the U.S. Embassy in Jakarta on Monday morning, Domingos Sarmento Alues, a spokesman for the youths said: "We request the NHRC, as its responsibility, to look into the fate of our colleagues." He said 49 of his colleagues were arrested by security personnel on Saturday.

Apart from this, they also requested that the NHRC to question the credibility of a report which stated that three of their colleagues were arrested in Dili recently.

The youths, who admitted that they were students, also requested the NHRC to investigate the validity of the National Executive Commission's findings on the 12 November 1991 incident.

In his interview with a reporter, Domingos said they will not leave the U.S. Embassy premises until their demand for the release of Xanana Gusmao (the leader of the Security Disturbance Group who is currently under detention) is met.

Meanwhile, Amaral, who was contacted at his home by ANTARA confirmed that he held a meeting with the youths, saying that he urged them to leave the U.S. Embassy premises.

He said if they left the U.S. Embassy premises, the NHRC will undertake to guarantee their safety. However, he said, the youths flatly refused this even before he could make a proposal.

Amaral said before he met the youths, he had held a meeting with some NHRC members namely Baharuddin Lopa, Marzuki Darusman, and Professor Miriam Budiarjo.

He said the outcome of his meeting with the East Timor youths was again discussed with the NHRC members and they will look for another possible solution to the problem, if requested to do so.

He also confirmed that the NHRC will hold a meeting with the U.S. Secretary of State Warren Christopher on 16 November, but that the meeting will not focus on the East Timor issue but on human rights in general.

He said: "If the East Timor issue was discussed, it would only be a very small portion of the whole issue."

With regard to a request by the youths to conduct investigations into the arrest of 49 of their colleagues, Amaral said the NHRC will look for the facts. He said: "But as far as we know, none of their 49 colleagues were detained."

In connection with the youth's intention to meet with U.S. President Bill Clinton, Amaral quoted a U.S. Embassy official as saying that Clinton was not willing to meet them.

Meanwhile, ANTARA received a press statement released on Monday afternoon by the Indonesian Legal Aid Foundation (LBH) stating its willingness to act as an intermediary for all parties concerned until a mutually and beneficial agreement is achieved by all the involved parties.

Officials Urge Youths To Leave Embassy Grounds

BK1411161394 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 14 Nov 94

[FBIS Translated Text] Minister/State Secretary Murdiono stressed that the security forces will definitely not enter the U.S. Embassy premises in Jakarta to solve the issue of the East Timorese youths who entered the premises of the U.S. Embassy. This was stated by Murdiono while giving a briefing on the outcome the meeting between President Suharto and Canadian Prime Minister Jean Chretien at Merdeka Palace today. Speaking in his personal capacity, Minister Murdiono was of the opinion that the incident happened within the jurisdiction of the U.S. premises.

Responding to reporters' questions if it was probable that the East Timorese youths would ask Murdiono for relocation, the minister stressed that political asylum will only be granted if a person or a group of persons are being hunted by the country's officials. The East Timorese youths are not being hunted by the government.

The intermediary board representing the five [as heard] East Timorese youth demonstrators at the U.S. Embassy in Jakarta indicated that democracy in Indonesia is thriving and that differences of opinion should be respected. What is important is that differences of opinion should not be directed toward destructive actions, even more so when the Indonesian Government is currently carrying the burden of hosting the APEC [Asia-Pacific Economic Cooperation] summit. According to board Chairman Theo Sambuaga, the East Timorese youths have the right to seek political asylum, but such a request depends on whether the country concerned decides to grant their request. He urged the East Timorese youths to come to this realization and return to their rightful places. Theo was of the opinion that it was possible that the youths were used by certain groups who are out to disgrace Indonesia amid the APEC summit.

Protesters To Pass Petition to U.S. Ambassador

LD1511105194 Lisbon RDP Antena 1 Radio Network in Portuguese 1000 GMT 15 Nov 94

[FBIS Translated Text] The 29 Timorese at the U.S. Embassy in Jakarta will not be handing their petition to President Clinton. They have agreed to hand it to the U.S. ambassador instead. It should be recalled that the Timorese said yesterday they would ask Portugal for political asylum if their were unsuccessful in handing the petition to Bill Clinton. They have accepted that the President's schedule is too heavy.

In Dili the police are patrolling the city. The university and city accesses are being watched by soldiers. Shops are closed. A Timorese told us that another person has died and 30 are injured:

[Begin recording] [Correspondent] How many kids have been arrested?

[Unnamed Timorese] One hundred and three have been arrested.

[Correspondent] Have you any news about injured people?

[Timorese] Thirty people injured, and another person died today at the military hospital. There are no injured people in the civilian hospital, not one, they are all in the military hospital - controlled by the troops.

[Correspondent] Will there be more demonstrations tomorrow?

[Timorese] Yes, they will continue tomorrow.

[Correspondent] The Timorese are no longer afraid to demonstrate in Dili.

[Timorese] No, they are not afraid. The Timorese are not afraid. But now Portugal has to do something, you do something over there. The Timorese are not afraid, we would rather die. We can't take it any more, we would rather die. [end recording]

There was a vigil last night in Lisbon outside the U.S. Embassy. A group of Timorese managed to hand in a letter at the embassy to be delivered to President Clinton.

Military Information Chief on Dili Situation

BK1411162894 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 14 Nov 94

[FBIS Translated Text] The situation in Dili, East Timor, has returned to normal after minor incidents yesterday and today following the death of an East Timorese as a result of a quarrel.

Brigadier General Syarwan Hamid, the Armed Forces Information Department chief said in Jakarta today that the situation has returned to normal after he obtained reports from the local community leaders concerning the real incident. The incident which occurred on Saturday was due to a quarrel between Mohamad Zakir and Mario Quizente resulting in the latter's death. Zakir has since surrendered to the police. This was followed by reprisals by a group of about 50 persons who went about destroying vehicles, shops and houses.

Brigadier General Syarwan Hamid regretted CNN's screening of a footage of the Dili incident that did not accord with the real incident. He said appropriate action will be taken against those involved in the Dili and Jakarta incidents in accordance with Indonesia's existing law and regulations.

Timorese Appeal to APEC on Indonesian Occupation

MM1411163294 Lisbon RDP Antena 1 Radio Network in Portuguese 1600 GMT 14 Nov 94

[FBIS Translated Text] Konis Santana has made an appeal to be heard at the Asia-Pacific Economic Cooperation [APEC] summit underway in Jakarta. The United States cannot forget Timor.

[begin Santana recording] To the President of the United States of America, and to the governments attending the APEC summit, namely the prime ministers of Canada, Japan, and Australia: The essential point of the problem of East Timor is the continued illegal occupation by the Indonesian troops of the territory of East Timor; and while the occupying authorities persist with their absurd and stubborn stance of holding the territory by force, nothing will improve in terms of human rights.

We call on them, by using their good influence, to make the Indonesian Government accept the discussion of the basic political problem of the Timorese issue. Peace is indispensable for putting an end to the abusive violations of human rights which do not stop and will not stop in our land. [end recording]

Editorial Criticizes U.S. Embassy Demonstrators

BK1511121594 Jakarta MERDEKA in Indonesian 15 Nov 94 p 6

[Editorial: "Demonstration at U.S. Embassy"]

[FBIS Translated Text] The East Timorese demonstrators who entered the U.S. Embassy premises in Jakarta remained there as of Monday night. Security guards and other interested parties pleaded with them to leave the premises without fear of arrest or threat to their safety.

But such persuasion could not convince the youths and university students, who had come from cities in east Java. They seemed to be sure that their action was effective, especially at this time when the world is focussing its eyes on Jakarta and Bogor on the occasion of the APEC [Asia-Pacific Economic Cooperation] forum meeting.

What they want is known to us all. Among other things, they are appealing for the release of Fretilin [Revolutionary Front for an Independent East Timor] leader Jose Xanana Gusmao; a dialogue on East Timor's integration; and, it has been learned lately, they will also apply for political asylum in the United States if their safety comes under threat as a result of their action.

It is not easy for Indonesians to decide on or express our attitude on such cases. It is especially hard when such an action is taken while we are dealing with an important event; namely, the APEC forum meeting being attended by 18 Asia-Pacific nations, including superpowers and developed countries.

In this case we agree with Foreign Minister Ali Alatas when he says that the demonstrators' objective is to ridicule the Indonesian Government. If they are appealing for the release of Xanana Gusmao, we all know that he has gone through the legal procedure and everyone living in Indonesia must abide by the law. If they want to hold a dialogue to discuss East Timor's integration, which is important to them, the issue is still under negotiation at the United Nations. Besides, President Suharto has already modestly said that he is willing to meet with Abilio Araujo, an East Timorese living abroad.

We are deeply concerned that our willingness to respect the East Timor proceedings an the UN and the modest attitude of the president have been reciprocated in such a manner—ridiculing Indonesia in the eyes of the world; in front of thousands of foreign journalists now covering the APEC forum meeting.

The Indonesian people need not worry too much about the incident, however. When any of our brothers demonstrate in this way, we must not view it too negatively. Perhaps we are unhappy that our home affairs are being exposed to the world, but we must be mature enough to realize that in the era of globalization, things that are unusual or indecent in our culture and customs can just materialize.

It is true that we may feel rather ashamed, but such a minor incident must not weaken our resolve to be a good host of today's APEC forum meeting. Is it not true that in their respective countries there are also problems that cannot be easily solved? Is it not true that it is common to see people holding demonstrations when they cannot solve their problems, even in the United States? In this context we can compare the demonstrators at the U.S. Embassy to a small child who becomes a whiner—asking for something that is impossible while its mother is entertaining a guest.

Bill Clinton may include this problem in his mission to uphold basic human rights, which he has talked about since his inauguration as President. But we can remind them that in Uncle Sam's country, basic human rights are not yet settled. Black Americans are not treated properly in accordance with their basic human rights.

U.S. Foreign Policy Said Unaffected by Elections

BK13111[illegible]1794 Jakarta SUARA PEMBARUAN in Indonesian 11 Nov 94 p 2

[Editorial: "Victory for the Republicans"]

[FBIS Translated Text] Just as U.S. President Bill Clinton was about to start his Southeast Asian tour, his Democratic Party suffered painful losses in the House and Senate.

It is worth noting that the Republican Party won a majority in the House and Senate in the midterm elections. In the Senate, for example, the Republicans grabbed 52 seats to the Democrats' 48, while the Republicans won a 227-199 majority in the House. This means that the Senate and House leaders will come from the Republican Party—Senator Robert Dole and Representative Newt Gingrich—as of 1995.

As President Clinton is about to pay a very important one-week visit, his own backyard is in disarray. We know that President Clinton is scheduled to attend the AELM [Asia-Pacific Economic Cooperation Economic Leaders Meeting] in Bogor (Jakarta), a meeting he can by no means ignore.

Just one week prior to the election, the leading U.S. magazines NEWSWEEK and TIME commented on the President's success in overcoming world crises ranging from the nuclear dispute with North Korea to the takeover of Haiti to the Israeli-Jordanian peace agreement. Two questions were raised by the two magazines. First, are these successes the result of President Clinton's high diplomatic ability and statesmanship or are they just luck? Second, can these international successes give the Democrats added impetus going into the elections?

We can quickly answer the second question. The successes in the Middle East and Haiti did not do much to prevent the Democrats from suffering their worst loss in the legislative bodies in the last 40 years. Meanwhile, we cay say "yes" and "no" to the first question, as diplomatic successes are in fact a blend of diplomatic skill and good luck.

Every political change in the United States echoes far beyond its boundaries due to its status as a superpower and is keenly studied by other countries friendly to the United States. With the Republican victory, it is obvious that the White House will have to take the attitude of the majority leaders in the U.S. legislature into account before taking any step or political decision until the 1996 presidential election. The principle of checks and balances requires adroit political skill when the legislative and executive branches are in different hands. Every policy issued by the president as chief executive can meet opposition; compromise will certainly be inevitable.

When Ronald Reagan was U.S. President for two terms (eight years), he managed to get his programs through the legislature even though the House and Senate were dominated by Democrats. Reagan's political successes, however, cannot be automatically applied to President Clinton. Reagan was called the great communicator [preceding two words in English] and was very popular with the people, while President Clinton has been widely criticized during the past two years of his administration.

Analyses of how much the Republican victory will affect U.S. foreign policy vary. A good number of analysts believe that the foreign policy will not be different from what we have now because foreign policy is traditionally not the monopoly of any particular party but rather the privilege of the President as chief executive.

From our analysis, we tentatively conclude that the Republican victory in the Senate and House was brought about by President Clinton's unconvincing domestic policy, including on the economy, health, and the eradication of crime. Domestic policy is not affected by satisfaction or dissatisfaction with how the United States plays its international role.

The above analysis also reveals the characteristics of the U.S. political system. Many countries focus on international affairs to divert attention from domestic weakness. This was done by Indonesia during the old order government. At that time, the government diverted attention from the sickly economy to megaprojects and a confrontation with Malaysia. This is not the case in the United States, and over the last ten years the people have been more concerned about domestic conditions than foreign affairs shortcomings.

So we hope that President Clinton's weak position in the legislature does not influence his economic policy in the Asia- Pacific region now or in the future. We understand that the Republican statesmen also realize the importance of improving economic and business relations in the region. We also understand that there are differences in views between the Democrats and Republicans, but the differences are not substantial.

Free Trade Pitfalls Seen in Globalized Era

BK1411102694 Jakarta MERDEKA in Indonesian 14 Nov 94 p 6

[Editorial: "APEC"]

[FBIS Translated Text] The APEC [Asia-Pacific Economic Cooperation] leaders meeting begins today and ends tomorrow. [sentence as published] Whatever consensus is reached at the Bogor Summit, APEC will not for the time being become a trade bloc or an exclusive economic group, and will not be closed to other areas of the world. Besides, APEC member countries certainly hope that "APEC" will live up to the expectation that it will be an economic forum to guide its members to a world that has an "open, free, and fair" international trading system.

We might be able to view the Bogor accord as a warning that all APEC members should prepare themselves to plunge into the so-called liberalized international trade in an era of globalization. It must be clear to all what the globalization era is when the world does not respect the borders of state sovereignty, the borders of domestic markets, the borders of operational areas of capital, of investment, of trade, and other areas. The world will only know one market, one trade area. Let alone in the future, at present bourses have been trading high value stocks and obligations from any favored country. Wherever you are in the world, you can easily exchange local currency for an internationally recognized currency such as pound sterling, German mark, Japanese yen, and of course the U.S. dollar. In big cities throughout the world people can easily obtain any product from a well-known country—from food and drinks, medicines, toys, wrist watches, automobiles, industrial and factory equipment, to the most sophisticated armaments—directly or through brokers. All this marks the beginning of the globalization era.

Have we developing countries made early preparations to enter liberalized world trade where only those who are competitive and strong at marketing their industrial and technological products can win and survive? We can see that backward groups, in both science and technology and in industry, have already been edged out and are subject to foreign tourists' ridicule. Have we learned from history that the weak will diminish in time? Unskilled labor is in poor demand; it has been replaced by highly skilled and highly knowledgeable labor while the unemployment rate is increasing.

We will see the globalization era showing that whatever country in the world, whatever political system, economic system, or security system cannot preserve peace and sovereignty because boundaries are becoming unclear. In the future, no country will be secure from another country's intervention. Violation of basic human rights in the heart of Africa or in the Arctic will be disputed in big European and American cities. Environmental damage in Latin America or in Antarctica will be a problem in big cities throughout the world and will be disseminated worldwide by sophisticated information technology.

Everything from the fall of a political system or economy, and banking problems, to all that world leaders whisper to their wives in bed will echo around the globe, broadcast by satellites that operate around the clock, and be reflected on earth through unobstructed equipment. The world has entered a glass house era, where events are clear and transparent. An autocratic government system and a monocratic financial and trade system will quickly fall apart and lose power in the glass house process. Even invincible and feared intelligence bodies will lose their fangs because of the inability to keep secrets. We must be prepared to face and overcome all of this.

Paper Views 'Strategic Significance' of AELM

BK1211131494 Jakarta SUARA KARYA in Indonesian 12 Nov 94 p 5

[Editorial: "The Bogor Meeting Is To Give Substance To APEC Concept"]

[FBIS Translated Text] The APEC [Asia-Pacific Economic Cooperation] Economic Leaders Meeting [AELM] will be held at the Bogor State Palace on Tuesday, 15 November, next week. President Suharto will hold bilateral talks with several APEC leaders on 14 November, one day before the conference.

Apart from discussions during the conference and bilateral meetings, it is important to note that APEC, a forum for economic cooperation established in 1989 in Australia, has made rapid progress in the last few years. However, the progress has mostly been in producing concepts, as action programs have not been formulated yet in a concrete and detailed way.

We believe it is in this context that the Bogor AELM will have strategic significance. We say strategic because the Bogor AELM will discuss and decide the essence of the APEC cooperation program prepared by Indonesia as the host country and APEC chairman since February this year. The substance of the APEC cooperation program has been discussed at the Senior Officials Meetings, Ministerial Meetings, experts meetings as well as APEC business circles, giving rise to the Asia-Pacific Business Network (APB-Net).

The move to give substance to the APEC cooperation concept with concrete action programs is virtually a follow-up to the actions of the so-called Group of 77 (of which Indonesia is a member) to realize free, open, and fair global trade. However, the actions of the Group of 77 within the GATT framework continue to face obstacles due to the stand taken by developed countries in their attempt to protect certain commodities, such as agricultural commodities.

With the signing of the accord in Marrakech, Morocco, in March 1994, and its effective date on 1 January 1995, the APEC free trade concept has actually been achieved. However, more concrete measures are needed to combine the concept of free, open, and fair trade with operational programs.

In this connection, we believe that the Bogor AELM has strategic significance, not only because Indonesia is the host and APEC chairman, but also because the Bogor AELM will make a historic decision and adopt action programs to realize free, open, and fair global trade in the APEC framework.

Besides, with the action programs being agreed on, cooperation within the APEC framework can be used as a model for cooperation between developed and developing countries in other parts of the world. If such a scenario is realized, Indonesia, as chairman of Nonaligned Movement, can be said to have pioneered the move in cooperation between developing and developed countries. This is in line with the resolution adopted at the 10th Nonaligned Movement summit in Jakarta in September 1992.

Indonesia has noticed from the beginning that there are both opportunities and challenges for developing countries within the APEC cooperation framework. It is now up to us whether we want to seize the opportunities and take up the challenges.

Bilateral Investment Agreement With Chile

BK1111084294 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 11 Nov 94

[FBIS Translated Text] Indonesia and Chile have agreed to cooperate in investment to enhance bilateral economic relations. Here is a report by Natsir Izwar.

[Begin recording in progress] The cooperation agreement was signed by Indonesian Foreign Minister Ali Alatas and Chilean Foreign Minister Jose Miguel Inzulza prior to the first session of the APEC [Asia-Pacific Economic Cooperation] ministerial meeting. Under the cooperation agreement, the two nations recognize that domestic investors play an important role in the economic development of the two nations and the flow of foreign investment is very important for enhancing productivity and accelerating the transfer of skills and technology.

Following the signing of the cooperation agreement, Foreign Minister Ali Alatas said that the promotion and protection of investment would be given priority as the first step in bilateral cooperation. According to the minister, Indonesia and Chile are strongly expected to undertake steps to enhance bilateral cooperation, particularly in the economic and technology fields. Ali Alatas hoped that bilateral cooperation programs would be established by other APEC members. [end recording]

Agreement Signed 14 Nov

BK1511032594 Jakarta ANTARA in Indonesian 1908 GMT 14 Nov 94

[FBIS Translated Excerpt] Jakarta, 14 Nov (ANTARA)—Chile wants to participate actively in economic cooperation in the Asia-Pacific region because the region offers a potential market to Chile. Chile has high economic growth.

"Chile must have the political will to do this [preceding two words in English], and we will act in accordance with that commitment," Chilean President Eduardo Frei Ruiz-Tagle said in Jakarta on Monday after witnessing the signing of a memorandum of understanding (MOU) between the Indonesian Chamber of Commerce and Industry (Kadin) and its Chilean counterpart, Sociedad de Fomento Fabril/Sofofa [preceding five words in Spanish].

President Ruiz-Tagle arrived in Indonesia on Monday to attend the APEC [Asia-Pacific Economic Cooperation] Economic Leaders Meeting in Bogor on 15 November 1994.

Kadin Chairman Aburizal Bakrie and Sofofa Chairman Pedro Lizana signed the MOU. The ceremony was witness by Joop Ave, Indonesian minister of tourism, post, and telecommunications.

President Ruiz-Tagle expressed confidence that with Chile's participation in APEC, its economic ties with other countries in the region will be accelerated. He said that his country is a strategic gateway for exports from the Asia-Pacific countries to South America.

Chile will overcome every problem in the spirit of consensus and the spirit of harmony, he added.

"It was in this spirit that we decided to join the Pacific community, " Ruiz-Tagle said. [passage omitted]

Aburizal Bakrie said trade relations between Indonesia and Chile can still be expanded. This is because even though the two countries are rich in natural resources, their potentials have not been fully tapped. [passage omitted]

Bilateral trade value between the two countries is relatively small—$150 million in 1993—but is expected to increase. Indonesian exports to Chile amounted to $32.4 million in 1993, an increase of 55 percent over 1992's $20.9 million.

Aburizal expressed the hope that cooperation between Indonesia and Chile will be emulated by other countries in the Asia-Pacific region in order to resolve issues relating to the concept of trade liberalization among all APEC member countries.

Further on ROK President's Official Visit

Suharto Hosts Banquet

BK1211161494 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 12 Nov 94

[FBIS Translated Text] President Suharto said the participation of South Korea in the ASEAN Regional Forum, ARF, has contributed positively to the creation of peace and stability in the Asia-Pacific region. It has also enhanced the creation of an atmosphere that would enable countries to live as good neighbors with mutual respect, and engage in mutually-beneficial cooperation.

President Suharto said this at a state banquet hosted in honor of the ROK President and Mrs. Kim Yong-sam at the State Palace in Jakarta tonight.

President Suharto also said to Indonesia, the spirit of cooperation would bring hope to all efforts to reduce tension in the Korean Peninsula and the peaceful reunification of the two Koreas.

According to the president, once peace and stability have been achieved in the Korean Peninsula, it would positively influence efforts for peace and stability in Northeast Asia, and the world as a whole.

[Begin Suharto recording] The honorable guests are visiting Indonesia at a time when the world is undergoing basic and rapid changes. We feel that the world is entering a new era that is more calm and which makes it possible for races to concentrate on development and international cooperation. In three days' time the APEC [Asia-Pacific Economic Cooperation] economic leaders will meet in Bogor. This is within the framework of improving economic cooperation among countries in Asia-Pacific. I have received wonderful greetings and wishes for the success of the meeting. Generally, everyone is genuinely working to make this historical meeting a success. Therefore, as the host, I wish to express my thanks and high appreciation to all well-wishers.

We have decided that APEC is not exclusively for those who live in the region only, but for the prosperity of all races in the world. [end recording]

The banquet was preceded by an exchange of souvenirs between President and Mrs. Suharto and President and Mrs. Kim Yong-san.

'Text' of ROK President's Speech

SK1311012494 Seoul THE KOREA HERALD in English 13 Nov 94 p 2

["Text" of speech by ROK President Kim Yong-sam at a dinner hosted by President Suharto in Jakarta, Indonesia on 12 November]

[FBIS Transcribed Text] Your Excellencies President and Mrs. Suharto, distinguished guests,

I am grateful for your invitation to my wife and myself to visit your country and for this splendid dinner despite your busy schedule including the APEC [Asia-Pacific Economic Cooperation] Leaders Meeting.

As I visit your country of unlimited potential, I am deeply impressed by the incredible development which has taken place and the vitality that is flowing in the streets. Your country has been recording spectacular economic growth while maintaining unity and stability. It is my belief that this is the result, Mr. President, of your strong leadership and your people's excellent capabilities; the Korean people and I regard you highly for this.

Based on these mature capabilities, your country has been playing a very important role on the international stage. Your country has been a significant player both in ASEAN and in the Nonaligned Conference as the chair nation. In addition, your country has been instrumental in fostering Asia-Pacific cooperation as the chair nation of the APEC Leaders Meeting, something which is more than worthy of respect.

Mr. President,

There is a historic affinity between our two nations. Not only do we both have a long history and a rich culture, but we have both swept aside the vestiges of colonial rule and are now undergoing rapid development. On this basis, our two countries have continuously extended friendship to each other and joined in cooperative efforts and, as a result, have developed a splendid relationship of practical cooperation.

Indonesia has already become Korea's sixth-largest trading partner, and our country is your fourth-largest trading partner. Your country is the third-largest destination for Korea's overseas investments as about 350 Korean enterprises have established operations here. I think that there is a great potential for further cooperation due to the complementary nature of our two economies.

Our two countries can not only serve as a bridge between the developed and developing economies of the Asia-Pacific region but also contribute greatly to stability and prosperity in this whole region.

Mr. President,

The entire globe is moving toward reconciliation and cooperation. Indeed, the security dialogue in the ASEAN Regional Forum inaugurated last July was an encouraging takeoff for peace and stability in the region. I expect the North Korean nuclear problem to be solved as soon as possible so that lasting peace can be established on the Korean Peninsula.

I also hope that our two nations will maintain even closer cooperative ties as we together work for the peace and the prosperity of the Asia-Pacific region.

In conclusion, I would like to thank you again, Mr. President, for your kind invitation, and I hope that Your Excellency will be able to visit Korea in the near future.

Distinguished guests,

Please join me in a toast to the health of Their Excellencies President and Mrs. Suharto, to the eternal development of Indonesia, and to friendly cooperation between our two nations.

Thank you.

Philippines

ROK's Kim Yong-sam Visits Manila 10-12 Nov

Kim Arrives in Manila

SK1011063694 Seoul KBS-1 Radio Network in Korean 0600 GMT 10 Nov 94

[Report by KBS special coverage team in Manila]

[FBIS Translated Text] President Kim Yong-sam, who left for the Asia-Pacific region, arrived in Manila, Philippines, the first stop of his trip, and started his three-day visit to the country. President Kim was received at Manila Airport by Philippine Secretary Roberto Romulo and some 100 Korean residents in the Philippines.

After attending a brief welcoming ceremony at the airport, President Kim went directly to the Manila Hotel, where he will be staying, to rest up.

Shortly, President Kim will participate in an official welcoming ceremony at Malacanang Palace and pay a courtesy call on Philippine President Fidel Ramos and his wife. He will receive senators and house representatives of the Philippines at the hotel in the evening, and he will conclude his first-day schedule in the Philippines by participating in a dinner arranged by President Ramos at Malacanang Palace.

Kim Speaks at Dinner

SK1111063194 Seoul THE KOREA HERALD in English 11 Nov 94 p 2

["Excerpt" of remarks by ROK President Kim Yong-sam at a dinner hosted by Philippines President Fidel Ramos in Manila on 10 November]

[FBIS Transcribed Text] The democratization of the Philippines through people power has inspired all other nations yearning for democracy and freedom with hope and courage. When I myself was fighting in the cause of democracy in my country against all odds, the triumph of democracy in your land further strengthened my faith in the eventual success of Korean democratization.

Just as the Republic of Korea and the Republic of the Philippines were partners for democratization, our two countries are now becoming partners for reform and development.

Our bilateral ties were forged with the blood we shed together in defense of freedom and peace. When the Republic of Korea was imperiled by the aggressors from North Korea, more than 7,000 Philippine troops, including Your Excellency as a young officer, rushed to our aid. Their sacrifices in blood and sweat helped lay the groundwork for the subsequent development of our land. According to an old proverb, "A friend in need is a friend indeed." We shall never forget that you helped us when we were in trouble. We will continue to regard the Philippine people as our valuable friends.

Our bilateral economic exchanges and cooperation are rapidly expanding. While our two-way trade is literally exploding, Korea's investment in your country is also steadily rising. Last year, the Republic of Korea became the fourth-largest foreign investor in your country. The future prospects for our bilateral economic cooperation are indeed bright in light of the mutually complementary characteristics of our economies.

My view is that your visit to Korea in May last year served to elevate the Philippine-Korean ties of friendship and cooperation to new heights. I sincerely hope that my visit to your country at this juncture will also enhance the warm friendship between our two nations and further strengthen our forward-looking ties of cooperation.

Further, our two nations should work ever more closely together to promote peace and prosperity throughout this region as a whole. In particular, I earnestly hope that the Philippines continue to support and cooperate in our endeavors to secure lasting stability and unification on the Korean Peninsula.

Lastly, let us recall what Jose Rizal, your great patriotic poet and statesman, said as early as a century ago, which may be translated as follows:

"The Philippine revolution will not be brought about at the point of sword; it will be accomplished only when everyone holds up his intellect and dignity and champions justice, equity and nobleness even at the risk of his life."

I am confident that your nation will successfully translate the Philippines 2000 plan into reality without fail on the strength of the democratization that your people have already achieved on your own.

Kim, Ramos Hold Talks

SK1111085194 Seoul YONHAP in English 0742 GMT 11 Nov 94

[FBIS Transcribed Text] Manila, Nov. 11 (YONHAP)—South Korean President Kim Yong-sam began his official duties in the Philippines Friday [11 November] with a visit to a memorial tower built to honor freedom fighter Jose Rizal.

He then traveled 3 km to the Presidential Palace, where he was greeted for the second time that day by Philippine President Fidel Ramos.

The two leaders had already met early in the morning to go jogging and play some basketball. "You are looking extremely healthy, probably because we exercised together this morning," Ramos quipped as they shook hands.

Sports was obviously a shared love, with Ramos calling their morning basketball session "a symbol of South Korean and Philippines' spirit of cooperation and team play."

The two presidents scored one basket each.

Ramos boosted Kim's pride when he mentioned Sin Tong-pa, a South Korean basketball star. "He is very well known here, you know," he said.

Ramos had many things to show from his office on the second floor of the palace, including a book written by Rizal in Spanish.

Other prized possessions included Ramos' wooden portrait carvings on the office walls, made and given to him by a prisoner currently serving his sentence.

The friendly mood apparently kept the two presidents 45 minutes past schedule at their private summit. Emerging from the meeting, Kim said they covered what they needed to, suggesting that they concluded key issues.

The presidents' aides, nevertheless, sat down for an expanded summit lasting another 40 minutes.

Presidents Kim and Ramos both accented economic cooperation in a joint press conference following their summit Friday.

The two countries agreed on broad dialogue to promote cooperation, especially in economic issues, for peace and stability in the Asia-Pacific, Ramos told reporters.

"South Korea and the Philippines have now become closer neighbors and will strive together for peace and joint prosperity in the region," said Kim.

There were, nonetheless, minor problems due to a lack of preparedness. The presidents took questions from two reporters from each of their sides, but the questions and answers were not translated into Korean.

Then there was a minor "accident." The press was briefly taken aback when a light bulb toward the rear of the room burst just before the press conference began.

—Kim's Senior Secretary for Foreign Affairs Chong Chong-uk was apparently happy at the wide coverage his president received in the Philippine papers.

"President Ramos personally showed President Kim a scrap book that had a front-page article of a Filipino newspaper on his visit," Chong told reporters. "He also said local television was giving him big coverage as well."

The two presidents congratulated each other on their nationals doing so well in the U.S. midterm elections—a Filipino-American was elected governor of Hawaii while a Korean-American was re-elected to the house.

—Kim met with leaders of a Filipino Veterans' Association comprising those who fought in the 1950-53 Korean War.

Shaking hands with each of the five men who visited him at his hotel, Kim recalled those tragic times and thanked them for their "blood and sweat that made it possible for Korea to grow this far."

In a show of appreciation, the president gave them a plaque in memory of their service in the Korean War.

—Kim's evening schedule included a reception for Koreans living in the Philippines, roughly 300 in total.

Hosting the reception at the hotel where he is staying, the president delivered news from their home country and reiterated his determination to continue reform and change.

"I will pursue reform without end and create a corruption-free country," he said.

Presidents Discuss Cooperation

SK1111035894 Seoul YONHAP in English 0312 GMT 11 Nov 94

[FBIS Transcribed Text] Manila, Nov. 11 (YONHAP)—Visiting South Korean President Kim Yong-sam held a summit meeting with his Philippine counterpart Fidel Ramos at Malacanang Palace here Friday morning to discuss bilateral political and economic issues.

During the talks, the presidents agreed that South Korean businesses would participate in communication and large-scale construction projects in the Philippines.

The two leaders met one-on-one for about 50 minutes before going into a 40-minute expanded session.

They reaffirmed the principle of peaceful use of nuclear energy and the signing of an atomic energy cooperation agreement, which was initialed Thursday by South Korean Science and Technology Minister Kim Si-chung and his Philippine counterpart William G. Padolina.

A senior official accompanying President Kim said the accord will promote joint research in atomic energy, with South Korean experience and technology to help in the construction of nuclear plants in the Philippines.

He added that South Korea has established a foothold in advancing into nuclear plant construction projects in the Philippines.

The official added that Korea Telecom stands a good chance of winning a contract to build a 300,000-circuit telecommunication network in the Philippines. Noting that Korea Telecom has already obtained 20 percent of the equity of Le Telecom Co., the No. 2 telecommunication enterprise in the Philippines, the official said Korea Telecom has virtually secured an export market worth 400 million U.S. dollars when the effect of Korean-made time divisional exchange (TDX) and communication systems is taken into account.

At the summit, President Kim promised favorable consideration to President Ramos' request that Seoul allow Korean banking institutions to advance into the Philippines. Manila pledged to support Seoul's bid to become a non-permanent member of the UN Security Council in 1996, and to consult with Seoul when it forms diplomatic relations with Pyongyang.

During the meeting, Anam Group Chairman Kim Chu-chin and Philippine Trade and Industry Secretary Lizalino Navarro signed a memorandum of economic cooperation, under which the Anam group will invest 200 million dollars in a semiconductor project that the Philippine Government will also support.

Ramos requested that South Korea remedy the trade imbalance in its favor, import more tropical fruit from the Philippines, admit more Filipino workers and legalize the status of illegal Filipinos already in South Korea. To these requests, Kim promised to give positive consideration.

Prior to the meeting, President Kim laid a wreath at the memorial of Philippine independence hero Rizal, then held a joint press conference with his Philippine counterpart following the summit.

Speaking at a luncheon the Philippine Chamber of Commerce hosted in his honor, Kim touched on the need to combine South Korean capital and technology with Philippine manpower to advance into third countries.

Following a reception for Korean nationals at the Manila Hotel and after bidding farewell to President Ramos, President Kim was to depart for Indonesia at noon Friday.

Kim Addresses Chamber of Commerce

SK1211014194 Seoul THE KOREA HERALD in English 12 Nov 94 p 2

["Excerpt" of speech by ROK President Kim Yong-sam at a luncheon hosted by the Philippine Chamber of Commerce and Industry—date and place not given]

[FBIS Transcribed Text] The world economic order is undergoing fundamental changes, with the inception of the World Trade Organization set for January 1995 and with the rise of regionalism. Under such circumstances, the Philippines and Korea have been strengthening cooperation both bilaterally and within APEC [Asia Pacific Economic Cooperation] and ASEAN. Trade between our two nations increased three and a half times within the past decade, and has been increasing at an even higher rate recently.

Some of you here are already engaged in or are hoping to enter into joint ventures with Korean businesses. Indeed, our businessmen think very highly of you as business partners.

Thanks to the highly-skilled manpower and the great growth potential of your country, last year Korea emerged as the fourth-largest investor in your country. Furthermore, last April the ROK-Philippines Investment Guarantee Agreement was concluded to further spur bilateral economic cooperation.

I am very glad to note that economic cooperation between our two nations has been expanding from labor-intensive sectors to such technology-intensive sectors as semiconductors and automobiles. Korean firms have been playing an active role in social infrastructure projects in the Philippines, and more than 3,000 Filipinos are working in the overseas construction projects of Korean businesses.

I expect that the number of joint ventures in third countries which combine Korean capital and technology with the highly skilled manpower of the Philippines will rise sharply in the future.

Through the Economic Development Cooperation Fund, Korea has provided the Philippines with economic support for electric power and other industrial projects, and we will continue to support your economic development endeavors. Already, some 3,000 Filipinos are undergoing industrial training in Korea.

I believe that your Philippines 2000 plan will prove to be a great success, and hope that the business leaders of our two nations will together contribute greatly to its successful implementation.

Kim, Ramos Agree on Economic Ties

SK1111090094 Seoul YONHAP in English 0853 GMT 11 Nov 94

[FBIS Transcribed Text] Manila, Nov. 11 (YONHAP)—Presidents Kim Yong-sam of South Korea and Fidel Ramos of the Philippines agreed to expand bilateral economic links at a summit here Friday [11 November], particularly Korean firms' participation in Philippine economic construction.

Following a meeting at Malacanang Palace, the leaders held a joint press conference to say that the Philippines had asked South Korean companies to come in and expand port and electric power facilities, which Korea pledged to do.

During the conference, Ramos promised to consider Kim's request for Manila's cooperation in South Korean financial groups' advance into the Philippines.

The leaders also agreed to work together for joint development of maritime resources in the South China Sea and in the defense industry, including the Philippines' purchase of South Korean-made armored vehicles and fighter planes.

With regard to Manila's request that Seoul import laborers, Kim said some 3,000 to 4,000 Filipino trainees would be allocated to Korean companies in addition to the existing 3,000 Philippine workers already in South Korea.

The two leaders agreed to cooperate in finding a peaceful solution to the problems on the Korean peninsula, resuming inter- Korean dialogue, and boosting Seoul's bids to gain non-permanent membership in the United

Nations Security Council (UNSC) and the post of the director-general of the World Trade Organization (WTO).

Ramos also said his country would stay in close contact with Seoul when it was to discuss diplomatic normalization with North Korea.

In addition, the leaders agreed to activate human exchanges including boy and girl scouts.

In a speech during a luncheon at the Manila Hotel hosted by the Philippine Chamber of Commerce and Industry, Kim said businessmen from both countries could seed and grow "cooperation" throughout in the world by working together.

Kim noted that bilateral cooperation is being expanded to such technology-oriented fields as automobiles and semiconductors from the previous labor-intensive orientation.

President Kim will fly to Indonesia Saturday afternoon after winding up his three-day visit to the Philippines.

Meanwhile, President Kim predicted that Pyongyang will come to ask South Korean companies "more eagerly" to do business in the North although it now seems, by appearance, to have spurned Seoul's latest proposal.

Commenting on Pyongyang's rejection of the Seoul initiative for inter-Korean economic cooperation, Kim told the joint press conference that South Korea is the only country with which the North can seek cooperation in a practical fashion.

However, Kim said his government would not seek economic cooperation too hastily.

Leaders Hold Press Conference

BK1111102394 Quezon City PTV-4 Television Network in English 0346 GMT 11 Nov 94

[Joint press conference of President Fidel Ramos and ROK President Kim Yong-sam with domestic and foreign correspondents at Malacanang Palace in Manila—live; remarks by Kim in Korean, translated into English by interpreter]

[FBIS Transcribed Text] [Ramos] Ladies and gentlemen of media, today, President Kim and I took another step towards further strengthening the good bilateral relations between the Philippines and South Korea.

During our meeting, we both affirmed our commitment to work jointly for the peace and stability in the Asia-Pacific region.

We also cited the need for more consultations and dialogue among our countries to strengthen the spirit of cooperation, especially on the economic front. To this end, we both agreed that the forthcoming Asia-Pacific Economic Cooperation, or APEC, in Indonesia will be a good opportunity for world leaders to exchange views on many global issues that will shape the future of the entire Asia-Pacific region.

Therefore, we fully commit ourselves to the immediate ratification of the Uruguay Round treaty of the General Agreement on Tariffs and Trade because business stability are the major foundations for lasting and continuous economic progress in the region.

I relayed to President Kim the Philippines' recognition of the Republic of Korea's central role in achieving a peaceful and non- nuclear Korean Peninsula and inter-Korean cooperation.

I also expressed my full support to South Korea's decision to support the economic development of North Korea.

I also told him that the recent agreement between the United States and North Korea was the product of determined efforts by the United States and South Korea, and therefore, each should be given active support by the entire international community.

The meeting that we held earlier also enabled us to strengthen and renew our partnership on all fronts—political, economic, social, and cultural.

I expressed appreciation for President Kim's positive response to our request for more lenient regulations towards Filipino overseas contract workers. I'm glad that President Kim has acknowledged the contributions of our Filipino overseas workers to their economy.

We also agreed to find ways and means to improve our trade relations. And we both noted that while South Korea is the Philippines' seventh largest trading partner in 1993, the trade levels do not still reflect the full potential of our partnership.

To resolve the trade imbalance at present, President Kim assured me that more of our local products will be considered for Korean markets, and at the same time will forge agreements at the working level to make other initiatives possible.

In the area of investment, I expressed my appreciation to President Kim for his government's full support to our bid for industrialization. Surely, the top Korean business leaders that he has invited to join him in his visit to the Philippines manifests his strong commitment to increase Korean investment in our country.

On defense cooperation, I thanked President Kim for his government's effort to help strengthen defense relations through the Republic of the Philippines-Republic of Korea Memorandum of Understanding [MOU] on Defense Industry and Logistics which was signed in South Korea last year. I informed him that this MOU is significant to the modernization program of the Armed Forces of the Philippines.

In sum, our talks enabled us to discuss a whole range of various issues concerning both our two countries, and the world.

Lastly, I reiterated to him my great appreciation on behalf of our government and people for the warm welcome and hospitality extended by him and the Korean people during my state visit to Korea in May 1993.

We therefore look forward to a more fruitful Republic of Philippines and Republic of Korea relations in the years to come.

Thank you very much, kamsa hamnida [Korean expression for thank you].

[Kim] I would like to say that I'm very sorry for having kept you waiting so long because President Ramos and myself had a very in-depth discussion on wide-ranging topics, including political, economic, and international security, the cooperation issues. So, I'd like to apologize for having kept you waiting so long.

First of all, I would like to express my gratitude to President Ramos and the people of the Republic of the Philippines for the kind invitation and warm hospitality which has been extended to me.

I believe my visit to the Philippines this time will serve as an important catalyst for enhancing the traditional friendship between our two people.

We have been comrade in arms in our joint fight for democracy and freedom. In particular, a great many young Filipinos fought for democracy side by side with their Korean friends during the Korean War.

Again, the democratization movement launched in the Philippines in 1968 [as heard] greatly inspired and encouraged the Korean people in their concurrent struggle for democratization.

At that time, the Korean people, who were themselves yearning for democracy, prayed for the success of the Philippine movement with deep concern and a strong sense of solidarity.

Through this visit to the Philippines, I have been very pleased to see for myself how the people of the Philippines are united in their endeavors to develop the Philippine economy, armed with the strengths that make democratization possible.

In Korea, drastic reforms have been promoted since the inauguration of a democratic civilian administration to build a democratic society and to make it possible for the nation to enter the developed world.

Since our two nations have similar history imperatives, we should be able to further strengthen our mutual cooperation as true partners and learn from each other. Our summit meeting today included honest and frank discussions on domestic reform issues, major international issues, and ways of effectively promoting mutual cooperation.

I believe that our meeting will contribute greatly to further promoting substantive cooperation between our two nations, and also strengthen our cooperation in diplomacy on major international issues.

The two countries will also further expand cooperation in the culture, tourism, and other related sectors. Our two nations have become even more close neighbors and we are now set to march forward together for the peace and prosperity of the Asia-Pacific region. Thank you.

[Press Secretary Jesus Sison] The first question for President Ramos will be asked by D.J. Santa Ana of Channel 7.

[Santa Ana] Good morning. Question for Mr. Ramos. Sir, you said last night you want the ASEAN Regional Forum [ARF] to play a more active role in maintaining regional stability and security. How active a role do you want ASEAN, even the ASEAN Regional Forum to play?

[Ramos] Well, first of all, it must clearly perform the function of being a forum for consultation which should lead to greater understanding, as well as perhaps common action programs for those that are not yet tied together in some kind of networking. For instance, within ASEAN, we do have this rather more developed networking on defense cooperation without having to enter into military alliances. Our partners, therefore, may avail of ARF as a means to improve their bilateral and multilateral defense cooperation which would result in a greater degree of stability and security and peace and order in our Asia-Pacific region.

[Santa Ana] Question for both presidents.

[Sison] Ah, D.J. there's only one question per ...

[Santa Ana, interrupting] Related, follow-up ...

[Sison, interrupting] I'm sorry but the schedules are very tight.

[Ramos] You just reserve that for our next press conference here.

[Sison] The next question will come from the Korean side. By the way, that's my counterpart, Chu Ton-sik, senior press secretary to President Kim.

[Kim Song-chin] I'm Kim Song-chin from KUNGMIN DAILY from Korea. I would like to ask a question to President Kim Yong-sam. I understand that in the summit meeting today with President Ramos there was discussion on the ways that Korean companies can participate in the construction and communications business in the Philippines. Were there any agreements, or were there any serious discussions regarding these issues, President?

[Kim] Right this moment, ASEAN countries are becoming important partners increasingly towards the Republic of Korea. From the Korean viewpoint, United States, Japan, and the European Union are major partners. But because of the fast increasing volumes of trade and investment, ASEAN countries are fastly overtaking European Union to become the third largest partners, economic partner of Korea.

Therefore, based upon this increasing economic partnership, the Philippines and the Republic of Korea will enter into deeper cooperation and consultation.

Yes, we have discussed the various issues, including communications and construction and social infrastructures, and how Korea can actively participate in those important projects in the Philippines.

I mentioned about the port facilities of the Philippines is especially important because the Philippines is a country surrounded by sea on four sides, and we have expressed my commitment that the Korean companies will from now on actively participate in the construction of the port facilities in the Philippines which will substantially promote our existing economic partnership.

I'd like to take this opportunity to touch a (?portion) of the major issues of major concern.

We discussed inter-Korean relationship. President Ramos expressed his compliment about our diplomacy towards North Korea that we are very wisely handling the inter-Korean relationship. And also, we have confirmed that this issue should be resolved in a peaceful manner.

Also, we discussed Korea's attempted entry to the United Nations Security Council as a non-permanent member. And also, the Philippine side supported our entry. And also, in terms of our candidacy in the world's trade organization for director general position, President Ramos expressed continuing support of the government of the Philippines.

Finally, we discussed the possibilities of setting up Korean bank branch in the Philippines. And President Ramos mentioned that he will give priority to the Korean application. Of course, the Philippine Government is now having many competitions from outside for the establishment of such foreign banks in Manila. But that I was especially grateful for the commitment given by President Ramos to give high priority to the Korean application.

I'd like to add two more points. I'm very pleased to note that both of our countries have initially signed the nuclear technological agreement yesterday. And also, I mentioned to President Ramos that the Republic of Korea will absorb 3, 4, 3, or 4,000 more Filipino workers to the Republic of Korea in order to deepen our existing economic partnership. And I think all of these will surely provide a major turning point for the substantial deepening of our existing economic partnership.

[Sison] The third question will be asked by Romy Jalico of PHILIPPINE STAR addressed to President Kim.

[Jalico] I would like to direct this question if possible, sir, to both presidents. My question is: There were reports last night indicating that the Pyongyang Government has rejected President Kim's proposal for bilateral economic cooperation. How will this affect the efforts to ease tensions in the Korean Peninsula and in the Asia-Pacific region in general?

[Kim] Well, in fact, it is not very much surprising that North Korea refused to accept our offer. But I think that North Korea knows very well that it is only the Republic of Korea that can provide substantial help towards North Korea.

Therefore, the Republic of Korean Government will continue to offer such ideas. If necessary, we will control the process of inter-Korean economic cooperation. But the most important thing is that we will not hasten to enter into any kind of cooperation with North Korea.

We will keep the options open for the inter-Korean cooperation. But I'm very sure that although in terms of formality, North Korea's refusing to accept our offer, in substance, they know that we cannot (?look) to provide our assistance towards North Korea.

[Sison] President Ramos will answer the same question.

[Ramos] Yes, thank you very much.

We recognize that North-South Korea cooperation is central to the settlement of the Korean problem and to achieve a guarantee for the future of the nonuse and the nonproliferation of nuclear power for aggressive and military purposes, that's one point I would like to emphasize.

Secondly, we here in the Philippines are also into a peace process against three fronts among those that fought the state over a period of years. And we see that this peace process that we are into, vis-a-vis the Communist Party of the Philippines and its military arm, the New People's Army, and its democratic front, the National Democratic Front. On the second front, the Moro National Liberation Front. And on the third front, former military rebels are at large and in general, succeeding.

While there are some temporary setbacks—I call them temporary—or there is a lack of immediate agreement, we keep the doors open. As President Kim has said, we continue to follow other options available, peaceful options.

And in the end, it will be the democratic empowerment of the people that will provide solution in terms of reconciliation, the gathering together of the families, livelihood opportunities, and the economic progress of the community to which they belong. And this will lead to the sustainable development of the nation and the society as a whole.

And this kind of a peace process has worked in many other places. Cambodia? Well, it is still in the process, but we see also that it is working. In Haiti, it is also working. And the Philippines is proud to be a part of that peace and democratization process.

And so, I see no reason why we should consider this development as a permanent setback. I see it only as temporary. And I am very confident that eventually, the desired results from all sides will be achieved.

Thank you very much, Kamsa Hamnida.

[Sison] Final question by Mr. (Yong-sat).

[(Yong-sat)] My name is Kim (Yong-sat) from the KOREAN BROADCASTING SERVICE. My first question to President Ramos, I understand that the Philippine Government is very much interested in attracting investments from Korea. Are there any special incentives that you can offer to the Korean side. Did you ever discuss that issue in today's meeting?

The second question is to President Kim Yong-sam. Were there any substantial discussions on the trade imbalance issue between the two countries?

[Ramos] Thank you. I, in fact, not only discussed this with President Kim but I also gave him a very comprehensive collection of information about our economic reforms, the various incentives that are now available in the Philippine economy to foreign investors, as well as our listing of some 40 major projects. This is just a short list, but we invite all of our neighbors and friends, especially our neighbors from Korea to take part in these opportunities.

What are some of these incentives?

Well, first of all, we have a democratic system here where you can count on continuity, transparency, democracy, and the permanency and validity of contracts.

Secondly, we have completely deregulated foreign exchange transactions. And this is one place where you can just come in and go out at your will according to your own desires.

Thirdly, we have an English-proficient population. I think this is becoming the language of international business. And at the same time, we have a labor force consisting of some 26 million that are largely work-oriented, they are loyal to their employers, they are management-oriented, and they are familiar with the science of computers in most cases. And we do have a very large body of management and skilled people that can work very very comfortably in the modern environment, including proficiency and computers.

Now, we also have a very liberal real estate policy. Private land can be leased for as long as 75 years in this country, which is longer than in some other countries.

And thirdly, of course, we have the strategic advantage of being at the gateway to Asia and the Pacific, with commercial, cultural, historical, and even political connections and affinity with all of the countries in the Asia-Pacific region.

[Sison] President Kim?

[Kim] Yes, indeed we discussed the issue of trade imbalance between President Ramos and myself. The most important thing is that the size of two-way trade and investment between the two countries is very fastly increasing in a rate of about 20 or 30 percent increase annually. This is indeed perhaps the most rapid, the speed of expansion of economic partnership compared to any other cases in the international community.

However, we have agreed that this is not an immediate issue of urgency. And we have decided to leave it to the further consultation on the working level. Of course, we pay attention to the existence of the problem. But we don't think it's a major issue that burdens our economic partnership. And perhaps, we can solve this problem through expanding trade partnership between the two countries in a much more balanced manner.

[Sison] Mr. Chu?

[Chu] We would like to bring this press conference to a conclusion. Thank you for being here with us and thank you for your attention.

[Ramos] Thank you very much, kamsa hamnida.

Kim Hosts Reception

SK1111115794 Seoul YONHAP in English 1147 GMT 11 Nov 94

[FBIS Transcribed Text] Manila, Nov. 11 (YONHAP)—President Kim Yong-sam hosted a reception for about 300 Korean residents in the Philippines at the Manila Hotel where he was staying Friday [11 November] evening and told the attendees to "live with the pride of your being Koreans."

During the reception, President Kim disclosed that he had just agreed with Philippine President Fidel Ramos that Korean industries would take part in Philippine harbor projects and that South Korea would accept more Philippine workers.

He said South Korea has the ability, strength and willingness to support North Korea. "Without us, there is no other country willing to help the North," Kim said.

Kang Yong-pae, president of the Korean Residents Association in the Philippines, said South Korea is about to enter the column of advanced countries thanks to the able leadership of President Kim.

"Owing to the surging status of the homeland, the standing of Korean residents in the Philippines, too, has changed a lot," he said.

Kim Departs for Indonesia

BK1211121594 Quezon City PTV-4 Television Network in Tagalog 1000 GMT 12 Nov 94

[FBIS Translated Text] South Korean President Kim Yong-sam left the country at 1100 after a three-day visit en route to Bogor, Indonesia to attend the Asia Pacific Economic Cooperation meeting from 14-15 November. Three agreements were signed between Manila and Seoul in the areas of tourism, investment, and nuclear nonproliferation. Kim pledged South Korea's continuing support for the government's economic programs and offered jobs for 3,000 Filipinos in different companies in South Korea.

Thailand

Chuan Comments on Economic Development

BK1411044994 Bangkok BANGKOK POST in English 14 Nov 94 p 3

[Report by Wichit Sirithawiphon]

[FBIS Transcribed Text] Next week, Thailand's export earnings will break the trillion baht limit for the first time, Prime Minister Chuan Likphai said yesterday. He told the Thai community in Indonesia and the Thai delegation attending the Asia-Pacific Economic Cooperation conference that it showed the strength of Thailand's industry, agriculture and other economic sectors. He said Thailand would continue to maintain strong export growth.

Mr Chuan also said the government emphasised income distribution. For the first time, the budget for 1995 allocated more money to the provinces—69 percent of 715 billion baht—than to Bangkok, which got 31 percent.

The Premier pledged to disburse more industry to the provinces. He said the investment incentives for the more remote provinces had increased the flow of investment to those "zone 3" provinces five-fold.

Thailand would have to reform its agriculture, switching from lower value crops to those with better prospects. The government was spending 40 billion baht in support of this, he said. The Government would increase educational opportunities in order to provide young girls with better alternatives to entering prostitution, he said.

Editorial: APEC 'Damaging' to Asian Countries

BK1111065594 Bangkok THAILAND TIMES in English 11 Nov 94 p A4

[Editorial: "APEC—one foot in America and the other in Asia"]

[FBIS Transcribed Text] The aftermath of World War II saw the creation of various military unions such as NATO, SEATO [Southeast Asia Treaty Organization], the Baghdad Pact, the Warsaw Pact and several other individual defense pacts with developing and underdeveloped nations all under the aegis of American and West European nations.

What was most significant in all those accords—a common pattern—was the domino of cooperation on military pacts leading in one way or the other to the fanning of economic growth in the West for military hardware. Western diplomacy and military industries won the day. Asia was the real loser, left behind with aging weaponry and fighting among themselves.

For several decades the West was concerned with the threat from Russia and the elimination of communism which sapped resources. But for the South East Asian developing nations, together with those nations in the Asian side of the Pacific, such as: Japan, South Korea, Taiwan and Singapore, they spent their time working hard to reach unexpected heights of economic growth and prosperity. But of course there was a price: there was no cohesiveness in consolidating Asian unity.

For this reason ASEAN still seems to be on the losing end. To an envious West, with its economic slump and slow growth, the reality of the "Asian boom" presented the possibility that it will be left behind if steps aren't taken immediately to sway the trend. The West has not hidden its opposition and still objects when Asians try to get together in the form of a forum.

Once again, Asians are going to be the losers. Just like in the military area, when Asians were heavily dependent on Western powers to provide the security for the region, on the economic front as well there appears a similar pattern—countries driven by national interests rather than the interests of the region as a whole.

Western economists were quick to realize the danger when research conducted by various institutions predicted that the next several decades will belong to Asian development and economic growth, which will lead the region to unprecedented levels of prosperity. The possibility of Asia overtaking Western economies sometime during the next three of four decades created an urgency for the Western countries to group themselves together, this time round, not on a military footing but on economic foundations. Europe led the field with its long-held desire for a single European Community.

As a consequence we have witnessed the birth of organizations dealing with trade and economic co-operation such as the European Union and the North American Free Trade Agreement (NAFTA). It was in response to the evolution of these regional set ups in the West that the ASEAN leaders decided to counter with their own regional free trade area, AFTA [ASEAN Free Trade Area].

American economists and policy makers, however, went a step further, after they suffered economic recession in the late 1980s, when they decided to catch the locomotive that was taking the Asian side of the Pacific to new economic destinations. They took it upon themselves to amalgamate the two sides of the Pacific in a single consultative union through the creation of APEC [Asia-Pacific Economic Cooperation].

Although the meeting of the Asia Pacific Economic Cooperation (APEC), a non-binding loose end economic consultative body of 18 Asia-Pacific nations, in Seattle last year did not result in any concrete decisions, the on-going APEC leaders meeting in Bogor, Indonesia, appears to be toying with a report submitted by the Eminent Persons Group (EPG) to make a significant move. The EPG has voiced the need to institutionalize and turn the APEC forum into another free trade area by the year 2020 combining NAFTA and other regional cooperative organizations in the region.

But Asian history will mourn the numbness of Japan,the most formidable economic power in the world, concerned with its own self-interest and inclining towards the West, rather than getting off the fence to the East where it belongs.

The writing on the wall for Asian countries says they are creating "a giant with one foot on America and the other on the Asian continent." Unless the Asian countries reach a consensus of their own, the concept of APEC could prove damaging to the countries on this side of the Pacific.

Editorial Urges Slower Move to APEC Free Trade

BK1411093194 Bangkok KRUNGTHEP THURAKIT in Thai 14 Nov 94 p 2

[Editorial: "Free Trade Area and Thailand's Role"]

[FBIS Translated Text] The main issue which the APEC [Asia-Pacific Economic Cooperation] leaders must decide on is the "time factor" for implementing free trade as proposed by the Eminent Persons Group. Thailand's position, as expressed by Deputy Prime Minister Suphachai Phanitchaphak, opposes Indonesian President Suharto's initiative to begin the free trade process in 1996 and complete it by 2010. The Indonesian president hopes that his proposal will pave the way for his country to become the ASEAN leader if a declaration on a free trade area is made at the current APEC meeting.

The Thai position agrees with the reasons given by several countries—particularly China, Japan, and Malaysia—which oppose the Indonesian proposal because of a possible impact on their political systems and trade disputes between the United States and certain countries. Meanwhile, Thai Foreign Minister Thaksin Chinnawat feels that Thailand has no problem with beginning free trade in 2010, but it will need to study the issue further before making a decision.

We feel that the readiness and ability of the Thai private sector is not the only factor for deciding Thailand's position on the timing of free trade. It must also consider the meaning of the "free trade area" and "free trade in the region" as these two terms will appear in the ASEAN leaders' declaration in Bogor which will become the framework for trade cooperation in the future.

The APEC meeting has not debated these two terms in detail. A free trade area entails a big leap toward establishing a trade zone, which means that every APEC country must possess sufficient capability to compete with other stronger and more advanced trading blocs. On the other hand, "free trade in the region" amounts merely to developing a certain level of trade cooperation, and there are no firm commitments other than trying to explore venues for cooperation and eliminating obstacles to trade.

We support the concept of free trade in the region and the joint view of the APEC ministerial meeting which concluded on Saturday. We applaud the role Thailand played in APEC. We fully support formation of the economic committee, formerly an ad hoc committee, to study and provide broad economic recommendations as well as reconfirmation of the outcome of the APEC trade ministers meeting in October 1994 which called for implementing the Uruguay round accord. We support other issues in which Thailand displayed leadership qualities at this Asia-Pacific regional conference.

Thailand's proposal, made by Suphachai Phanitchaphak as the leader of the ASEAN group, for APEC Rounds to pave the way for wider free trade corresponds with the idea that negotiations must be flexible and takes into consideration the level of development of various ASEAN countries before advancing to the step of establishing a free trade area as desired by the Indonesian leader, which appears to have found opposition from several countries in the region.

Article Views Impact of Elections on Clinton

BK1511083394 Bangkok BANGKOK POST in English 15 Nov 94 p 4

[Article by Maitri Ungphakon in Jakarta: "Clinton faces test in Bogor"]

[FBIS Transcribed Text] There is no question that the Democrats' defeat in last week's midterm US elections is having an impact on US President Bill Clinton's standing in the Asia-Pacific region, and not only in APEC [Asia-Pacific Economic Cooperation]. But there are two schools of thought about the nature of that impact.

Some think that Mr Clinton is much weaker, so he has arrived at the Asia-Pacific Economic Cooperation (APEC) conference having lost most of the clout that he enjoyed a year ago when he was the host in Seattle.

In Seattle, he was glowing with confidence after having just won a tough battle in Congress for the North American Free Trade Agreement. APEC was the second part of a "triple play" on free trade that would open up foreign markets and create jobs for Americans. The following month, the United States would push for conclusion of the Uruguay Round of world trade talks.

At the informal APEC summit on Blake Island, just outside Seattle, Mr Clinton charmed the other leaders, the atmosphere easily persuading Indonesia's President Suharto to invite them to another summit this year.

Here in Jakarta, US Secretary of State Warren Christopher tried over the weekend to create a similar three-stage theme for this year's meeting.

The US administration is looking for a "hat trick"—in North American terminology, three goals by the same player in an ice hockey game. After APEC, would be the successful ratification of the Uruguay Round agreements in the US House of Representatives on November 29 and in the Senate on December 1, then the Summit of the Americas later in December.

But the confidence of a year ago was not there. And judging by television coverage of Mr Clinton's visit to the Philippines before arriving in Jakarta on Sunday night, he still felt uncomfortable when tackling the impact of last week's vote. His voice seemed to go hoarse when he was asked whether the vote would have an impact on foreign policy.

Those who believe Mr Clinton will have less clout also suggest the US resolve to see free trade in APEC may have weakened. The difficulty of persuading the American public to accept free trade in North America, combined with the mid-term vote would make negotiating free trade in APEC and then selling the idea back home a daunting task, according to this line of thinking.

Even the fact that the election saw a massive shift to the Republicans, who tend to be more in favour of free trade, would not mean an easier task for Mr Clinton. Democrats who had reluctantly supported him on NAFTA would now have to take a harder opposing stand in order to survive, and many Republicans are also ambivalent on the issue.

The fact that the Americans were isolated when officials met here last week to prepare a voluntary investment code for APEC, may also have dented US bravado.

On the other hand, it would be wrong to attach too much importance to the contrast between Seattle and Jakarta. Last year, the Americans were on home ground. Television covered extensively the congressional vote on NAFTA and his victorious departure from the White House. He was welcomed rapturously in his public appearances, and his speech to the APEC organising committee was a rallying keynote. He cannot expect that kind of treatment here.

A further weakening of US clout would come from foreign policy problems in other areas. Even while Mr Clinton was basking in glory in Seattle, his administration was trying to repair the damage caused by the mixed signals it was sending, particularly on worsening relations with Europe over trade, on Bosnia and other issues.

After last week's elections, the US administration announced it was no longer going to enforce the arms embargo against Bosnia, although it would continue to observe the embargo.

Secretary of State Christopher took pains to point out that this was an obligation arising from a law passed in Congress before the election and was unrelated to the election results. In any case, the move seems to have caused further damage in relations with the Europeans.

The opposing view predicts Mr Clinton will actually be more aggressive in his dealings with this part of the world. This assessment hinges on two arguments.

First, the new Republican majority in Congress means that Mr Clinton has lost ground on domestic policy. The only territory he can truly try to claim is foreign affairs, an ironic situation since Mr Clinton's own election pledge was to concentrate on domestic policy.

Western journalists attending a briefing here over the weekend say persistent questions about the US foreign policy resolve forced Mr Christopher to spell out seven unchanged foreign policy objectives:
—economic security and open international trade,
—a comprehensive Middle East peace agreement,
—nuclear non-proliferation
—support for NATO and European integration,
—independent states of the former Soviet Union,
—the US remaining a Pacific power, and
—global law and order issues such as terrorism, drugs and organised crime.

How this will translate into action remains to be seen; the comments at this stage are speculative. On trade, Canada's international trade minister, Roy MacLaren, said he hoped the Democrats and Republicans in Congress would adopt a bipartisan line.

He pointed out that it was Republican presidents who had initiated various regional and global free trade moves, and argued that the new Republican majority in Congress should continue with that approach.

The Republicans are unlikely to want to be in a position where they are forced to explain why they are opposing liberalisation, he said.

His comment was in response to questions about prospects for Congress ratifying the Uruguay Round/World Trade Organisation agreements and the US position on accepting China back into the General Agreement on Tariffs and Trade (GATT), but it could apply to other issues such as APEC.

It would imply no increase in the abrasiveness of US foreign policy and perhaps no weakening in the line the Unite States has been pursuing such as free trade in APEC.

A stronger view come from Don Emmerson, political science professor at the University of Wisconsin and currently visiting professor at Stanford. He believes that influential Republicans will pursue their trade liberalisation ambitions by using threats of protectionist or other forms of retaliation against countries that do no open their markets.

He argues that Mr Clinton will have to listen to these Republicans rather than opponents of a free trade deal such as Ross Perot.

Prof Emmerson's view would suggest a coalition between these Republicans and the protectionist Democrats demanding free trade abroad as a condition for foreigners being allowed access to US markets. It would also suggest increased pressure to link issues such as labour rights and the environment with trade.

In APEC terms, the question of Mr Clinton's position boils down to this: He still wants to return to Washington being able to proclaim that he has progressed in the drive to open up markets for American goods and services. But how hard will he push on the declaration to be issued at the Bogor summit today? And how will Congress and the American public react to the possibility of yet another free trade deal?

Article Criticizes Government's Regional Policy

BK1311123694 Bangkok SIAM RAT in Thai 13 Nov 94 p 3

["Analysis" by "Yiao Duankao": "The Government Should Review Its Policies Toward Neighboring Countries"]

[FBIS Translated Text] During the past week, the arrest of General Sin Song became a big problem that the government must solve to preserve the country's relations with Cambodia. It faces the question of whether to extradite him or allow him to leave for political asylum abroad. It also has to decide how far to go with legal action against the Thais who assisted the Cambodian general. All of this was a topic of debate in many circles over the past week.

A special characteristic of the Chuan government is that its way of administration has generated noisy debates. Every issue, big or small, has been played up. As an example, while the local administration bills were receiving great attention, the arrest of the Cambodian general in the center of Bangkok also generated much debate. To the question of why have the topics in the local press been so repetitive, the answer is that the government that has been expanding on those same topics. To the Chuan government, rural- level news gets the same treatment as news concerning the country's relations with other countries.

It is not a surprise that this inability by the government to distinguish between major and minor issues brings little success to the conduct of its policy toward neighboring countries. Cambodia, Laos, Vietnam, Burma, and Malaysia do not trust Thailand because Thai policy toward them is contradictory, lacks uniformity, and most importantly in the eyes of the neighboring countries the government appears to be a novice in international relations.

The lack of trust by neighboring countries stems from the government using the kind of diplomacy that allows the media and the public to express views that disregard the feelings of those countries. Cabinet ministers should exercise restraint in their comments to the media when asked about issues that involve another country, which is not the case now. This lack of restraint shows that the government is naive and that the media and politicians lack sophistication.

In general, when issues or disputes arise in relations with a neighboring country, the government must come to the fore and use diplomacy to solve it quickly. It should not leave it to the public to debate and only then make arrests, thus generating more sensational and damaging news. In the case of Gen. Sin Song, the government should quietly arrange asylum for him outside the country and then explain its action to the Cambodian Government. If the news leaks out and is undesirably spread, it should appeal to the media and the opposition to cease commenting on such a potentially damaging issue and pledge to bring the issue to a close as soon as possible. The government, however, did not solve the issue promptly and created news all over the world by arresting the Thais involved. The arrests will not improve the country's image.

This kind of naive handling of the problem gives the Australian Government the chance to criticize and makes neighboring countries distrust Thailand. Earlier, the government deported Al-Arqam members and pushed the Mons back to Burma—while claiming to respect human rights—to avoid interference in the neighboring countries; it did not want to act like the region's bully.

The Chuan administration is a democratic government, but it does not understand rights and freedoms and has no grasp of political differences. This is why it has acted as a policeman for neighboring countries on some issues. It blocked East Timorese human rights groups from holding a meeting in Bangkok but allowed the Dalai Lama to enter the country. Like a policeman, it deported Al-Arqam members and arrested Gen. Sin Song. It did nothing when the media reported the plunder of resources from neighboring countries by Thai capitalists, however. The neighboring countries do not trust Thailand because its actions are difficult to explain.

This lack of uniformity in the policies toward neighboring countries has weakened the country's prestige and lessened the respect of these countries. In principle, basic international diplomacy should guide Thailand's conduct toward neighboring countries; that is, once the trust of neighboring countries is secured, countries far away will be aware of Thailand's stability and the big brother respect it commands. It does not have to worry about becoming the big brother of the region. Thailand will gain that respect if it is really that good.

Cambodian Coup Fugitives Lodge Asylum Request

BK1411054794 Bangkok BANGKOK POST in English 14 Nov 94 p 1

[FBIS Transcribed Text] Cambodia's former interior minister Gen Sin Song, an alleged leader of the recent failed coup in Cambodia, and his men have formally sought political asylum in Thailand. The formal asylum request was submitted to the Immigration Police Bureau on Friday by Gen Sin Song's lawyer Long Bora.

Immigration Police Commissioner Pol Lt-Gen [Police Lieutenant General] Kiattisak Praphawat said they have also sought a release on bail on the grounds that they want to fight political charges against them.

Pol Lt-Gen Kiattisak said the asylum and bail requests have been forwarded to police chief Gen Phot Bunyachinda. He said the Cambodian government has not confirmed to Thailand on what charges Gen Sin Song is wanted in Cambodia. If the Cambodian government supplied evidence to show that he took part in the failed coup, Gen Sin Song would be regarded as a political fugitive and would not be extradited. However, he would be regarded a criminal if evidence suggested he was involved in an assassination attempt.

Processed Wood From Khmer Rouge Zone Seized

BK1111042394 Bangkok BANGKOK POST in English 11 Nov 94 p 11

[FBIS Transcribed Text] Aranyaprathet—Processed wood from Khmer Rouge strongholds worth about four million baht was confiscated in separate raids in Khlong Luk and Aranyaprathet districts of Sa Kaeo province yesterday, military sources said. The first arrest took place when troops intercepted a six-wheel truck with a Lop Buri licence plate at 6 p.m. in Khlong Luk. The three persons in the vehicle, Bunsong Liakhunthot, 35, Charun Mukda, 32, and Prathip Saichan, 30 were arrested.

A total of 257 pieces of processed hardwood worth about 2.5 million baht were confiscated, said Col Thawonsak Bingthong, commander of a Burapha Task Force unit in Khlong Hat district. The wood was destined to be delivered to a furniture factory in Wang Nam Yen district, he said. Local politicians in Sa Kaew province tried to bribe the military into releasing the wood but did not succeed, he said.

The second confiscation took place when illegally processed wood, also from a Khmer Rouge stronghold and worth about 1.5 million baht, was found in a six-wheel truck stopped at Phansuk village, 20 kilometres south of Aranyaprathet.

Burapha Task Force deputy commander Col Sonthaya Sapsakun said the driver of the truck, Thamniam Chamniankun, 29, from Buriram province, was arrested. His vehicle was stopped at a checkpoint by rangers at Phansuk village at 10 a.m.

Thamniam allegedly admitted he was hired by a merchant to take the wood from a Khmer Rouge stronghold in Cambodia and deliver it to a factory in Wang Nam Yen district, Sa Kaeo province, for 3,000 baht.

The confiscated items included more than 400 pieces of processed hardwood suitable for furniture, Col Sonthaya said.

Vietnam

Prime Minister Receives Cuban Military Group

BK1111154294 Hanoi VNA in English 1452 GMT 11 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 11—Prime Minister Vo Van Kiet received here this afternoon a high-ranking military delegation of Cuba headed by Lt. Gen. Ulises Rosales Del Toro, Commander-in-Chief of the Revolutionary Armed Forces [name and title as received].

Also present at the reception were Lt. Gen. Dao Dinh Luyen, deputy minister of defence and commander-in-chief of the Vietnam people's army, and Cuban ambassador to Vietnam, Ms. Tania Maceira Delgado.

Speaking to his guest, PM. Kiet stressed that the Vietnamese people have always paid attention to and deeply sympathized with difficulties that the Cuban people have experienced, and expressed their belief that under the correct leadership of the Communist Party of Cuba headed by Comrade Fidel Castro, the Cuban people would surely overcome the present hardship to develop.

Taking the floor Lt. Gen. Ulises Rosales Del Toro informed Mr. Kiet of the situation in his country. On behalf of the party, state, and people of Cuba, he expressed thanks to the Communist Party, the Government and the people of Vietnam for their impartial friendship and assistance to the Cuba people.

He also expressed his wish for the Vietnamese people's greater achievement in the cause national defence and construction.

The same day the Cuban military delegation was received by Defence Minister, Gen. Doan Khue.

Earlier on Nov. 9, the Cuban delegation held talks with a Vietnamese high-ranking military delegation led by Lt. Gen. Dao Dinh Luyen. The two sides exchanged experience in the building of the people's Armed-Forces, and issues of common concern.

The Cuban senior officers paid a floral tribute to President Ho Chi Minh at his mausoleum, called at his home and office. They also had working sessions with relevant offices of the Defense Ministry, the Central Committee for Economy, the Ministry of Agriculture and Food Industry, the State Committee for Cooperation and Investment, and the Ministry of Trade.

Party Delegation Visits ROK, Meets Leaders

BK1311150294 Hanoi VNA in English 1442 GMT 13 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 13—Mr. Hong Ha, secretary of the Communist Party of Vietnam Central Committee and head of its External Relations Commission, paid an official visit to the Republic of Korea (ROK) from Nov. 6-12 as guest of the Democratic Freedom Party.

While there, Mr. Ha conveyed best regards from party General Secretary Do Muoi and President Le Duc Anh to Mr. Kim Yong-sam, president of the ROK and chairman of the Democratic Freedom party.

Mr. Ha also conveyed General Secretary Do Muoi's letter of thanks to Mr. Kim Yong-sam for his invitation to him to visit the ROK.

The Vietnamese party official was received by Prime Minister Yi Yong-tuk who reaffirmed that the ROK would increase its official development aid loans at low interest rates to Vietnam, and the ROK would take part in the construction of some industrial estates in Vietnam. He also said that the ROK government had encouraged South Korean businessmen to actively invest in Vietnam.

Mr. Ha exchanged views with Foreign Minister Han Sung-chu on the development of the Vietnam-ROK relationship and some international and regional issues of common concern.

Speaking at the talks, the two sides held that the establishment of the relationship between the ruling parties constitutes a new step of development in the Vietnam-ROK relations, thus contributing to furthering the relationship in the state level, for the interests of the two countries and the two peoples, and for peace, cooperation and development in the Asia-Pacific region and the world over.

Mr Ha and his party were received by the president of the ROK-Vietnam Friendship Parliamentary Group, and the president of the ROK-Vietnam Friendship Association.

During its stay in South Korea, the Vietnamese delegation also visited some provinces and a number of economic establishments. It also visited the ROK Fund, a culture exchange organization which has effectively cooperated with Vietnam.

Netherlands Waives $8.7 Million Debt

BK1211103894 Hanoi VNA in English 0622 GMT 12 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov.12—The Netherlands has decided to waive debt in arrears worth about 8.7 million USD [U.S. dollars].

This was announced by the Ambassador of the Netherlands to Vietnam, Mr D.A.V.E. Ader [name as received], to the minister of finance, Mr Ho Te on Nov. 11.

The value of the arrears is FL [Florins] 14.8 million, which is approximately USD 8.7 million.

This waiving of arrears is in addition to the waiving of arrears over the previous three years, totalling FL 10.1 million (approximately USD 6 million).

Commentary Says $10 Billion in Aid Needed

BK1011132694 Hanoi Voice of Vietnam in English 1000 GMT 10 Nov 94

[Station commentary]

[FBIS Transcribed Text] The World Bank-sponsored consultative group meeting on official development support for Vietnam will be held in Paris on 15 and 16 November, through which Vietnam will receive aid for national construction and development. Here is our radio editor's comment:

The conference will carry out commitments made by donor countries to Vietnam at the Paris conference last year. The World Bank will chair the meeting after consulting the Vietnamese Government and UNDP [UN Development Program]. Participants in the meeting are 18 potential donor countries, including France, Sweden, the UK, Germany, Australia, Finland, South Korea, the United States, Singapore, and Brunei, and seven international and regional organizations. Eight UN agencies will attend the meeting as observers. A delegation of Vietnam led by Mr. Do Quoc San, cabinet member and chairman of the State Planning Committee, will take part in the meeting. It will be held at the headquarter of the World Bank and focus on Vietnam's recent economic developments, management and coordination of aid to Vietnam, the need for foreign capital as well as the commitment to properly use donors' capital.

Vietnam has prepared a 40-page document on the socio-economic situation and renovation in the country to be delivered at the conference.

Many countries and international organizations have expressed support for development aid to Vietnam. Many have [words indistinct] with aid plans for Vietnam's economic development. The International Monetary Fund and the World Bank last month said they would announce their decision on aid of $550 million to Vietnam for structure readjustment.

During a working visit to Vietnam, the head of the Japanese high-level government delegation, Mr. Akitane Kiuchi said Japan would propose increased ODA [Official Development Aid] for Vietnam. At the donors' conference in Paris last year, the donors promised $1,869 billion in aid to Vietnam. Vietnam is expected to tell the meeting that it may need at least $10 billion in terms of official development aid from now until the year 2000. Vietnam hopes to use the meeting for further dialogue with donor countries.

Vo Van Kiet Chairs Meeting on Economic Tasks

BK1111064294 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Nov 94

[FBIS Translated Text] On 9-10 November, the government held a regular meeting under the chairmanship of Prime Minister Vo Van Kiet.

At the meeting, Minister of Commerce and Tourism Le Van Triet presented a report on the reform of the import-export management; Minister of Education and Training Tran Hong Quan read a report on some issues regarding the organization and management of the education service; and Government Office Minister Le Xuan Trinh reported on some issues that need to be dealt with urgently in the last two months of 1994 and on the preparatory tasks for the implementation of the resolution of the Ninth National Assembly's Sixth Session. The meeting also heard a report recapitulating cabinet members' opinions on the draft regulation on establishing state charges before the draft to be submitted to the next meeting of the National Assembly Standing Committee.

With respect to the urgent tasks in the last two months, the government considered measures to strengthen guidance in dealing with issues relating to production and living conditions. The government will set up some state working teams to deal with these urgent issues.

Speaking at the conclusion of the meeting, Prime Minister Vo Van Kiet pointed out clearly that the issues discussed in this meeting belong to an overall process for comprehensive reform and renovation. In particular, we must conduct urgent and comprehensive reform in education and training to bring it to the same level of improvement as other other areas, thus helping it to overcome the danger of being left behind and creating preconditions for new national advancement in the years ahead.

Le Duc Anh Tours Ha Giang, Tuyen Quang Provinces

BK1211152094 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Nov 94

[Report on President Le Duc Anh's 8-10 November visit to Ha Giang and Tuyen Quang Provinces]

[FBIS Summary] "You friends, are invited to listen to the following report by Truong Cong Hoa on State President Le Duc Anh's working visit to Ha Giang and Tuyen Quang provinces."

Dear friend: In the briefings they gave to President Le Duc Anh, the leading comrades of these two provinces said: "Prominent in the socioeconomic situation in Ha Giang and Tuyen Quang provinces is their efforts to improve crop pattern and animal husbandry, and to develop goods manufacturing."

These two provinces have adopted a policy to promote the development of the household economy, especially the use of agricultural land, reforestation, and the introduction of new rice varieties for intensive cultivation to resolve basically the grain problem in their respective localities.

"In Ha Giang this year, grain production in terms of paddy is up by nearly 13 percent over 1992."

In compliance with the resolution of the party Central Committee's seventh plenum, Ha Giang Province has concentrated investments in the processing industry.

"The value of the province's 1994 gross industrial output reached 14 billion dong, up by 7.5 percent over 1993. A number of industrial projects are being built. They include a cement factory, a brick kiln, the 110-kilovolt Yen Bai-Ha Giang powerline, and a 35-kilovolt powerline designed to channel electricity from the national power grid to some districts in the economic zone. Taking advantage of its Thanh Thuy national border gate, Ha Giang has stepped up its import-export activities. The value of its imports and exports in 1994 is estimated at 34.68 billion dong. Thanks to overall efforts, the economy of Ha Giang has developed satisfactorily. In 1994, its economy grew by 9.1 percent over 1993. Its agricultural and forestry production has dropped, while capital construction and support services have been on the increase."

As for Tuyen Quang Province, "the greatest success is that the province has been able to do away with the state of pre-harvest food shortages and to resolve basically its food requirements through intensive rice cultivation and the introduction of new rice varieties". "The province's 1994 grain yield was 170,400 tons, up by nine percent over 1993."

President Le Duc Anh expressed his delight at visiting Ha Giang and Tuyen Quang provinces. "He said: The party organizations and the administration of these two provinces have scrupulously complied with the various resolutions of the central authority, the Political Bureau, and the National Assembly."

He urged the party organizations, the administration, and the people of the two provinces to develop their revolutionary tradition and to unite, thousands as one, in building a prosperous and beautiful country.

"President Le Duc Anh said that currently, the central authority funds a large part of the budget of these two provinces. These provinces must strive to increase their revenue collection. If every village, district, and province can stand on their own feet, the central government will concentrate its budget on building major projects to develop the national economy."

He went on: "Troops stationed in the locality must also participate in efforts to change the economic structure and contribute to improving the people's intellect as this will create basic conditions for the maintainance of national defense and security."

While in Ha Giang and Tuyen Quang provinces, President Le Duc Anh spent a lot of time visiting the compatriots of various ethnic groups, families who have thriving businesses, and families who have done meritorious deeds for the country.

The president also urged the party organizations and the administration of these two provinces to organize the upcoming people's council elections at the three levels and to turn bare hills into forests.

Religious Body Announces Appointment of Cardinal

BK1111143394 Hanoi VNA in English 1411 GMT 11 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 11—The Vietnamese Government and the Vatican have agreed that the Pope will make Archbishop Pham Dinh Tung a cardinal by the end of this month, head of the government Commission for Religious Affairs, Mr. Vu Quang said recently.

Archbishop Tung is 75 years old. He was ordained bishop of the Bac Ninh Diocese in 1963, and apostolic administrator of the Hanoi Diocese in 1990, and archbishop of the Hanoi Diocese earlier this year.

Mr. Tung will be the third cardinal of the Vietnam Catholic Church. His two predecessors were Cardinal Trinh Nhu Khue, ordained in 1976 before dying in 1978 Cardinal Trinh Van Can, ordained in 1979 and passed away in 1990.

Catholicism was introduced into Vietnam in 1553. Nowadays, there are about 6 million Catholics, presenting 9 per cent of the country's population.

Recently, in a meeting with the head of the government Commission for Relious Affairs, Archbishop Pham Dinh Tung said that his ordination as cardinal confirmed the position of the Vietnamese people and the Vietnam Catholic Church and its correct direction of 'living the gospel amidst the nation'.

Sectors Targeted for Foreign Investment

BK1111090994 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 11 Nov 94

[FBIS Translated Text] According to the State Planning Commission, the orientations for attracting foreign invested capital in the period ahead will be focused on some important sectors with the aim of ensuring that foreign invested capital in Vietnam will reach $18-20 billion by the year 2000.

Investment plans for these important sectors call for further building the oil and gas industry so it can have an annual production output of over 20 million tons; building an oil refinery and an offshore pipeline to channel gas onto the mainland in order to produce electricity, nitrogenous fertilizer, and liquefied gas; and building 10 industrial complexes in Ho Chi Minh city, Song Be, Dong Nai, Hanoi, Haiphong, and Hai Hung involving 900 enterprises with a total capital of $5 billion.

Australia

Keating on Timetable for APEC Free Trade

BK1111060994 Melbourne Radio Australia in English 0500 GMT 11 Nov 94

[FBIS Transcribed Text] Prime Minister Paul Keating says Australia is not worried about the timetable set for free trade in the Asia-Pacific region. The leaders of the Asia-Pacific Economic Cooperation [APEC] forum are to meet in Bogor in Indonesia to discuss establishing free trade in the region by the year 2020. Mr. Keating says while he hopes APEC leaders will make a commitment of free trade, the end date matters less as long as it is not too distant. He says no one is expecting fine detail out of the meeting in Bogor. Mr. Keating has warned even if leaders reached agreement on a free trade outcome they face long and arduous talks ahead to implement it.

Keating Holds Talks With Chilean President

BK1211123894 Melbourne Radio Australia in English 1100 GMT 12 Nov 94

[FBIS Transcribed Text] Prime Minister Paul Keating has held informal trade talks in Sydney with the Chilean president, Eduardo Frei Ruiz-Tagle. Australian trade with Chile is valued at about $110 million [Australian dollars] and has grown by around 35 percent in the past decade. President Frei's visit comes ahead to next week's APEC [Asia-Pacific Economic Cooperation] leaders meeting in Indonesia, which both leaders will be attending.

Mr. Keating said he'd like to see a stronger bilateral relationship with Chile, and will use the next few days with the president to discuss their common goals for APEC:

[Begin Keating recording] Australia could well do with a beachhead in South America, and Chile rather obviously fits itself on the Pacific coast, and we agreed that we should expand that bilateral relationship and in Chile's case we as Australia also have [words indistinct] to the Asia-Pacific. [end recording]

Evans Rejects Thai Spy Claim Against KR Victim

BK1211140094 Melbourne Radio Australia in English 1100 GMT 12 Nov 94

[FBIS Transcribed Text] Thailand's Army chief says murdered Australian tourist David Wilson was killed by Khmer Rouge [KR] guerrillas in Cambodia because he was a spy. Evan Williams reports from Bangkok the comments appear to be another bid by Thai officials to divert attention from Canberra's claims of continuing support for the KR in Thailand:

[Begin Williams recording] Thai Army Chief General Wimon Wongwanit says David was killed because of his (?known) espionage activity. He says [passage indistinct] soldiers might have business links with the guerrillas, but says the border is hard to shield and it can do nothing if Canberra refuses to hand over proof. The spy claims are a warning of how bitter that the dispute could become if an agreement isn't reached soon. [end recording]

Australia's foreign minister, Gareth Evans, has completely rejected the spy claims by Gen. Wimon, saying they have no substance whatsoever. Senator Evans added that Australia did not believe that the present Thai Government supported the KR, whatever might have been the case in the past. He said there needed to be a discussion of whether international support would enable Thailand to do more to deal with elements and individuals in Thailand that are still helping the KR.

Evans Downplays 'Rift' With Thailand

BK1411064194 Melbourne Radio Australia in English 0500 GMT 14 Nov 94

[FBIS Transcribed Text] Australia's foreign affairs minister, Gareth Evans, is continuing to play down the rift with Thailand over claims that some Thais are supporting the Khmer Rouge [KR] guerrilla group. The issue is set to be discussed between the prime ministers of Australia and Thailand, who are attending the APEC [Asia-Pacific Economic Cooperation] meeting in Indonesia. Yesterday, Mr. Chuan Likphai threatened to suspend Australian arms sales to Thailand because of the row.

In Australia, the parliamentary opposition has questioned Senator Evans about his claims on the weekend that he spoke too strongly when accusing some Thais of helping the Khmer Rouge. Sen. Evans told Parliament that he is now satisfied there is a major effort being undertaken by the Thai Government to crack down on illicit trade with the Khmer Rouge.

[Begin Evans recording] [Thai Foreign] Minister Thaksin Chinnawat, as one element of our conversation, announced after my discussion that he would (?escort) or make available access by our ambassador, other representatives from interested missions to go down there on the border—(?now our problem is) this has not previously happened—and see for themselves the (?present) scale of the activity now being monitored [words indistinct] border activities. [end recording]

Cambodian Minister Expresses Support for Evans

BK1511075094 Melbourne Radio Australia in English 0500 GMT 15 Nov 94

[FBIS Transcribed Text] Cambodia's new foreign minister, Ing Huot, has defended recent comment by his Australian counterpart, Gareth Evans, about the Khmer Rouge receiving support from elements in Thailand. Senator Evans' comment was strongly criticized by the Thai Government at a recent meeting between Australia's prime minister and his Thai counterpart in Indonesia, Chuan Likphai, has smoothed the situation. [sentence as heard] However, the Cambodian foreign minister says it was courageous of Sen. Evans to speak out on the issue.

[Begin Huot recording] Sen. Gareth Evans did not accuse the Thai Government as such; he said that there may be some elements in the Thai Army or businessmen who had dealings with the Khmer Rouge in terms of timber, gem trading for many, many years and for many, many hundreds or millions of dollars; so it is big stakes involved. So, I support Sen. Gareth Evans on that and I believe that we have to work with the Thais in order to try to curb this incursion, this border crossing, and so on. [end recording]

Foreign Minister Cited on Unrest in East Timor

BK1411083994 Melbourne Radio Australia in English 0630 GMT 14 Nov 94

[From "International Report" program]

[FBIS Transcribed Excerpt] As Asian and Pacific leaders gather in Jakarta for their summit meeting, Indonesia's human rights record in East Timor is once again in the media spotlight. Over the weekend, a riot broke out in the East Timorese capital, Dili, sparked by racial tensions in the former Portuguese colony. As Michael Marr reports, a group of pro-independent protestors are still refusing to leave the United States Embassy compound in central Jakarta. [passage omitted]

[Marr recording in progress] ...Senator Gareth Evans once again found himself in the position of having to express concern about the situation in the former Portuguese colony.

[Evans] Well, nobody pretends that all is well in East Timor. There is still obviously tension and volatility, still unsatisfied aspirations, still a need for a major exercise in reconciliation so far as the Indonesian Government is concerned, which—as I have said often enough—Australia thinks should take the form of a significant drawdown of the military presence there and hopefully some degree of political autonomy and measures being taken which are genuinely sensitive to and respectful of indigenous Timorese culture and religion. Those are the issues that are involved in the demonstrations taking place at the U.S. Embassy—and it is not unexpected that there would be something of that kind occuring as the media spotlight being on it, as is the case this week. [end recording]

Unemployment Rate at Lowest Level in Three Years

BK1011104694 Melbourne Radio Australia in English 0500 GMT 10 Nov 94

[FBIS Transcribed Text] Australia's unemployment rate has hit its lowest level in more than three years. The jobless rate for last month dropped to 9.1 percent in seasonally adjusted terms, down from 9.5 percent in September. Luisa Saccotelli reports the drop in unemployment has been achieved in spite of a significant slowing in the overall rate of employment growth.

[Begin Saccotelli recording] In seasonally adjusted terms 9.1 percent of the national population was unemployed last month. The number of people in the nation's unemployment que during October fell by 31,400 to 804,700. There is a significant drop in the number of men looking for work—down by 23,600. The drop in unemployment has been achieved despite an overall decline in employment level of about 10,000 jobs. [end recording]

The explanation may be a drop in the participation rate of those actively looking for work, but the underlying trend is still one of healthy job growth and concern for continuing recovery in the labor market.

Solomon Islands

Prime Minister Mamaloni Appoints New Cabinet

BK1111003394 Hong Kong AFP in English 2017 GMT 10 Nov 94

[FBIS Transcribed Text] Honiara, Nov 11 (AFP)—The Solomon Islands' new cabinet appointed by Prime Minister Solomon Mamaloni Thursday.

Deputy Prime Minister, Home Affairs:	Dennis Lulei
Education and Training:	Alfred Maetia
Youth, Sports and Women's Development:	Brown Beu
Forestry, Environment and Conservation:	Alan Kemakeza
Development Planning:	David Sitai
Culture and Tourism:	William Haomae
Lands and Housing:	Francis Orodani
Post and Communications:	John Musuota
Police and National Security:	Victor Ngele
Justice:	Oliver Zapo
Commerce, Employment and Trade:	George Luialamo
Finance:	Christopher Abe
Foreign Affairs:	Danny Philips
Energy, Minerals and Mines:	Eric Seri
Agriculture and Fisheries:	Edmond Andresen
Provincial Government & Rural Development:	Allan Qurusu
Transport, Works and Utilities:	John Fisango
Health and Medical Services:	Gordon Mara

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